

California Property Tax Managers' Reference Manual



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G EXISTING GUIDELINES

Index and copies of existing Guidelines from the Accounting Standards & Procedures Committee.

Note: The Guidelines are static documents that do not reflect any Constitutional, legislative, or case law changes since their creation.

**Overview Section
Chapter A-1**

SCOPE OF THE MANUAL

PURPOSE OF THE MANUAL

This manual was written to provide a valuable resource for tax managers to use as a reference manual, assist property tax staff in understanding the procedures involved in all areas of property taxes and a tool when training new employees. This manual will also provide guidance to tax managers who may be new to the profession or may not have had previous experience with a particular topic.

Property Tax Managers from various counties wrote this manual. It underwent a series of reviews and approvals with final submission to the California State Association of Auditor-Controllers (SACA). The tax manual committee first met in July of 1998, and the manual was completed in June of 2002.

There are many ways of accomplishing tasks based upon interpretation of code sections, county policies, office procedures, system constraints, court decisions or special legislation for a specific county. This manual contains the general practice of most counties based on legislative code.

Every attempt will be made to keep the chapters current, but legislation or litigation may alter validity or interpretation of the information. Please refer to your county's approved policies, procedures and County Counsel recommendations.

SOURCES AND CONTENTS

The manual chapter sources include the following:

- 1) The State Controller's Accounting Standards and Procedures Manual for Counties.
- 2) The California State Association of Auditor-Controllers' Accounting Standards and Procedures Committee Guidelines
- 3) California Revenue and Taxation Code
- 4) Other State Law, such as Streets and Highways Code and Government Code when applicable
- 5) The Tax Collector's Manual
- 6) The Assessor's Manual
- 7) Other, as noted in the chapter text

Each chapter is intended to present complete information without being dependent on another chapter. It is recommended that the user read all chapters of a section when researching a comprehensive topic. When applicable, each chapter contains the following topics:

- 1) Introduction – introduces the topic to the reader
- 2) Main topic – describes the topic and introduces sources to the reader
- 3) Methodology – provides specific guidance to the reader including applicable exhibits. Exhibits are only used as examples and may not conform to your county policies.
- 4) Additional consideration – notes additional information of use to the reader
- 5) Accounting Treatment – identifies relevant accounting information to the reader
- 6) Related topics – lists other chapters relevant to the subject matter

The first use of a glossary word in a chapter will be ***bold - italicized***.

CONCLUSION

This was a long process and very time consuming. We thank all the tax managers that spent time reviewing the chapters along with all other participants. We also acknowledge the members of this committee who took time in the preparation of this manual. Attached is a list of the participants.

Property Tax Manual Committee Participants

<u>County of:</u>	<u>Contributing Members:</u>
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Overview Section
Chapter A-2

HISTORICAL BACKGROUND

Part 1: General 1% Property Taxes

Part 2: Direct Charges – Special Taxes and Special Assessments

Part 1

GENERAL 1% PROPERTY TAXES

INTRODUCTION

Prior to 1912 the State of California derived up to 70% of its revenue from property taxes. The state no longer relies on property tax as its primary source of funds. Since 1933, the only property tax levied and retained by the state is the tax on privately owned railroad cars. Today California's counties, cities, schools and **special districts** depend on the property tax as a major source of revenue.

NOTE: The following text is intended to provide historical summary and explanatory descriptions for the State of California property tax legislation. Refer to the technical sections of each topic for more complete guidelines. All Revenue & Taxation (R&T) Code references are prior to AB3734, which re-codified the statutes as of January 1, 1995.

MAIN TOPIC

Proposition 13

On June 6, 1978, California voters overwhelmingly approved **Proposition 13**, the property tax limitation initiative, by a vote of 65% to 35%. Proposition 13 was the taxpayers' collective response to dramatic increases in property taxes, an assessor's scandal and a growing state revenue surplus. Proposition 13 reduced local property tax revenues state wide by approximately \$6 billion by capping property tax rates at 1% and adjusting property tax assessed values for taxation to the 1975-76 level. See Appendix A for a detailed explanation of these provisions.

The passage of Proposition 13, on June 6, 1978 left the legislature with only three weeks until the start of the new fiscal year to design a new property tax system and determine how revenues from the 1% property tax rate would be allocated. The prior system allowed each local jurisdiction to impose a **tax rate** on parcels within their jurisdiction, where the total tax rate applied to a **parcel** consisted of the sum of all rates of all taxing jurisdictions in which the property was located.

Following the passage of Proposition 13 the Legislature enacted a one-year property tax distribution method which ensured that each local agency which levied a property tax in 1977-78 would receive a share of the maximum **\$4.00 tax rate** in effect at that time. The basis for the pro rata distribution for cities, counties and special districts was the average percentage of all property taxes collected within the county over the three fiscal years prior to 1978-79. The pro rata distribution for schools was based only on the 1977-78 fiscal year property tax revenues.

This distribution method did not allow for the transfer of property tax revenues from one entity to another in the event of a ***jurisdictional change*** or annual growth in ***assessed value*** for the allocation of property tax to a newly created entity.

Three weeks after the passage of Proposition 13, SB154 and nine other bills containing clarifying provisions established the basic elements of the application of Proposition 13. To minimize hardships on taxing districts, each taxing jurisdiction was allocated the same proportionate share of total property tax revenues as they received of the countywide property tax revenues prior to the passage of Proposition 13. The average percentage of the prior three years for cities, counties and special districts was used to determine the allocation for 1978-79.

Criticism of this method was that the allocation provisions of SB154 pooled all property tax revenue collected at the county level, excluding bond levies. The revenue was distributed using a formula provided by law, and revenues from new construction were distributed countywide. Jurisdictions with higher growth rates suffered compared to those with lower or stable growth rates.

The passage of Assembly Bill 8 (***AB8***) in 1979 attempted to address these criticisms and provide for an ongoing method of property tax distribution. A tax jurisdiction was assigned a base amount of property tax revenue determined by 1978-79 revenue. Revenues from increases in assessed value were distributed to the jurisdictions providing services to those affected properties. Adjustments were provided for transfers of property tax base revenues when boundary changes or transfers of functions occurred.

Distribution of Property Tax - AB8

In 1979, the Legislature enacted a method for the distribution of property tax (AB8, Chapter 282 of the Statutes of 1979 and AB1019, Chapter 1133 of the Statutes of 1979).

AB8 - Base Calculation

Note that assessed values may decline for various reasons, the difference may be negative, but for purposes of this description the term "growth" is used. One of the objectives of AB8 was to provide local agencies with a new property tax base that would change along with the growth in assessed value. In order to accomplish this, some property tax was shifted from school districts in the form of a ***block grant***, as discussed in Appendix B. In turn, the state increased financial assistance to school districts to make up for the loss.

In general, each tax jurisdiction received the property tax revenue it received in the prior year (\$4.00 tax rate) plus its share of any growth in property tax within its boundaries. A base calculation formula for cities, counties and special districts increased property tax revenue by any 1978-79 block grant amounts and reduced the school property tax by the same amount. This amount was then adjusted by various factors. The result of these calculations was the taxing agency's base tax revenue. Appendix B discusses the necessary calculations in more detail.

AB8 – Growth

One of the main objectives of AB8 was to provide local governments with a revenue source which was not only their own, but reflected growth change within their boundaries. It is through the allocation of property tax growth on a **situs** basis that this objective was accomplished. Any property taxes on new assessed valuation, whether due to new construction, change in ownership or the **California Consumer Price Index (CCPI)** inflation factor not to exceed 2% annually, accrued only to those jurisdictions in which the increase took place.

In order to allocate the tax on assessed value growth for 1979-80, percentages were computed within each **tax rate area (TRA)** equal to the various agencies' share of the 1978-79 property tax allocated to the TRA. The 1978-79 countywide property tax generated by the maximum \$4.00 tax rate became the 1979-80 **base property tax**. The tax on the incremental growth added to the base tax becomes the 1979-80 property tax revenue.

For 1980-81, and each year thereafter, each city, county, special district (excluding the Special District Augmentation Fund described below) and each school district is allocated the amount it received in the prior year, including the prior year's growth allocation. This is the **base revenue**. For the current year each jurisdiction receives its share of the property tax on assessed value growth or change within its boundaries. This is the current year **tax increment**.

For 1980-81 and thereafter, any adjustment for one-time inventory reimbursement for cities and counties for 1979-80, pursuant to Section 16117 of the Government Code is disregarded. Any adjustment for excess sales tax, excess property tax, or deflator, pursuant to §§100.2, 100.3 or 100.5 respectively, of the Revenue and Taxation Code for 1980-81 and, thereafter, is also disregarded. These were adjustments to the 1979-80 base calculation.

Special District Augmentation Fund

For the 1978-79 fiscal year, the legislature appropriated \$192 million to assist special districts in meeting their service needs following the loss of property tax due to Proposition 13. These funds were allocated by the county board of supervisors for districts within each county and by the city council for subsidiary districts.

Recognizing the variety and complexity of special district organization in California, the Legislature established the **Special District Augmentation Fund (SDAF)** in order to provide a locally administered program of financial assistance to special districts. In 1978 the Legislature bailed out local governments by passing Senate Bill 154 (R&T Code §98.6). The bill allocated revenues from the 1% property tax to all cities, counties and special districts on a pro rata basis.

Revenue was allocated based on the calculation of the average percentage of all the three prior fiscal years. At the same time the financing of several health and welfare programs shared by the state and counties was adjusted. Additionally SB154 provided \$878 million in block grants to ensure that local governments would not fall below 90% of what their budgets would have been had Proposition 13 failed. Special districts received \$125 million from SB154 plus a subsequent \$37 million from SB2212 (Gregorio, 1978). These bills appropriated this money to each county board of supervisors based on each districts' property tax losses in relation to statewide special districts' total losses. The money for subsidiary districts went to the governing city councils, while multi-county districts received the money directly.

The **Special District Augmentation Fund** worked as follows:

- Annually the county auditor subtracted the amount of its 1978-79 block grant, adjusted for growth, from each district's property taxes, excluding multi-county districts. This amount was deposited into a county fund for county dependent and independent districts. A city with one or more subsidiary districts had funds deposited into a separate fund for the city's district(s).
- On or before September 30 of each year, the auditor notified the "governing body" - the county board of supervisors for dependent and independent districts and the city council for subsidiary districts - of the amount deposited in the respective augmentation fund. Within 15 days of the notice, the "governing body" held a public hearing and made the final decision on the allocation of funds no later than October 31st. There were no state strings attached to the allocation of such funds other than the requirement that the funds be allocated solely for the use of special districts. The Special District Augmentation Fund was discontinued after 1992-93 when legislation for the **Education Revenue Augmentation Fund (ERAF)** was passed. The associated **apportionment factor** and revenues were allocated back to the special districts at that time.

Adjustments in Property Tax for a Jurisdictional Change

After the passage of Proposition 13, there was no provision for the exchange of property tax revenues between local agencies affected by an **annexation, detachment, reorganization, incorporation, formation** or other change of boundaries. Although local agencies were proceeding with such boundary changes, they had no assurance under the law that they would receive property tax revenue to pay for additional service responsibilities.

AB8 provided mechanisms for local agencies to exchange property tax revenue when a jurisdictional change occurred by forming the **Local Agency Formation Commission (LAFCO)**.

There were additional provisions related to tax revenues described briefly below.

Appropriations Limitations - 1978-79 and Thereafter

In November 1979 the voters of the State of California approved **Proposition 4**, commonly known as the (Paul) **Gann Initiative**. The proposition created Article XIII B of the State Constitution that placed limits on the amount of revenue which government agencies can spend. Proposition 4 was effective for the 1980-81 fiscal year. The formula for calculating the limits was based on the 1978-79 base year revenues defined in Proposition 13.

In order to deal with an increasing number of complaints about the restrictions of Proposition 4 and to increase the accountability of local government in adopting their limits, the voters approved **Proposition 111** in June 1990. The revised adjustment formulas made the Appropriations Limit more responsive to local growth issues. Proposition 111 requires an annual review of the limit calculations.

Optional Property Tax Rate Reduction – 1978-79 and Thereafter

Any local agency receiving property tax revenues may elect to refund all or part of its annual allocation to property tax payers within its jurisdiction. Such refunds would be proportional to the amount of assessed value on each taxpayer's bill. The name of the local agency giving the tax

reduction would be noted on the property tax bill. Schools that choose to refund property taxes would not be able to receive additional state school aid to make up for the reduction in property tax revenue.

Any such tax rate reduction applies only for one year and may be deleted, continued or changed at local option in subsequent years; and a tax rate reduction in one year is ignored in calculating property tax allocations for the next year.

One-Year Reduction in Business Inventory Exemption Reimbursement

For 1979-80 only, the state reimbursement and inventory tax exemptions were reduced by \$41 million for cities and \$17.4 million for counties. The reduction was allocated among counties on the basis of county claims for inventory reimbursements in proportion to total county claims statewide. For cities, the initial county-by-county breakdown is based on county claims for reimbursement for all cities within the county in proportion to all such claims statewide. However, the allocation of the city reduction among cities within the county is in proportion to the amount of property tax for 1979-80, which would otherwise have been allocated to each city in the county.

These one-time reductions applied to cities and counties only and not to other public agencies, which received business and inventory reimbursements. Such reductions were not taken into account in computing property tax allocations for 1980-81 and thereafter.

Subsequent Legislation

There was continuous modifying legislation following the passage of Proposition 13 and AB8. A discussion of the predominant legislation follows.

A. Proposition 8

Proposition 8 was an early amendment to Proposition 13. Passed by general election on June 3, 1986, the proposition amended Article XIII of the California Constitution. The amendment added §69 to the R&T Code allowing county assessors to adjust base year values taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

B. Tax Equity Allocation (TEA) No and Low Cities*

In 1987 the first **Tax Equity Allocation (TEA)** legislation (R&T Code §97.35) required 17 counties to shift property tax revenue to 49 cities. The legislation intended to shift 10 percent of the taxes generated within the city boundaries to the cities over a ten-year period of time.

In 1988 Assembly Bill 1197 amended R&T Code §§97, 97.5, 98 and 98.6 providing that qualifying cities receive 7 percent of the property tax revenues generated within their boundaries phased in over a seven year period.

There were several modifications to TEA provisions. Please see the Tax Equity Allocation chapter for specific instructions.

C. Unitary Tax

Assembly Bill 454, Chapter 1457, Statutes 1987 added the **Unitary Tax** provisions (R&T Code §100). The tax section provided for the identification and allocation of taxes attributable to unitary and operating nonunitary property assessed by the **State Board of Equalization**. Please refer to the chapter on Unitary Tax for a more detailed discussion of Unitary Tax.

D. Property Tax Administrative Costs and No and Low Cities - SB2557 - 1990-91 *

During the 1990-91 State Budget deliberations, the legislature enacted Senate Bill 2557 (Chapter 6, Article 3). This bill contained the authorization to increase revenue to counties by a portion of the total property tax administrative costs attributable to local jurisdictions. SB2557 also provided changes with respect to property tax revenue allocations to qualifying (no/low property tax) cities.

E. Educational Revenue Augmentation Fund Modification to Property Tax Administrative Costs and No and Low Cities – 1992-93* (ERAF I)

By 1992-93 the State Legislature was struggling to balance an \$11 billion budget deficit. The Legislature passed two budget trailer bills, Senate Bill 617 and 844, implementing the Educational Revenue Augmentation Fund. Senate Bill 1559 modified the **Property Tax Administration Fee**. The Governor signed these bills on September 14, 1992 that shifted \$1.3 billion from counties, cities, special districts and redevelopment agencies to K-12 schools and community colleges. On October 7, 1992, the legislature approved Assembly Bill 3027 to clarify provisions in SB617 and 844. SB617 and 844 were intended to be one-time pass-through legislation. This legislation is still in effect. See the ERAF chapter and R&T Code §§97.01 through 97.05 and §98.

F. More Educational Revenue Augmentation Fund Modification - 1993-94 * (ERAF II)

The State Legislature and Governor shifted \$2.6 billion in local property tax revenues from counties, cities, special districts and redevelopment agencies to K-12 schools and community colleges to balance the State Budget in 1993-94. The legislation modified cities and counties **shift** amounts. In addition the legislation recovered the original bailout plus growth from special districts that were not exempted.

G. Proposition 218 – Local Government Tax Limitation, 1996

On November 5, 1996 Initiative Measure Proposition 218 was passed by general election. The proposition added Section 2 to Article XIII C of the California Constitution. Taxing agencies were prevented from imposing, extending or increasing any special tax unless that tax was approved by a two-thirds vote of the electorate.

H. ERAF III, VLF Swap, and the Triple Flip

Proposition 57 was passed by the voters on March 2, 2004. It reduced the general sales tax rate for local governments and set in motion the Sales Tax Triple Flip. Significant financial transactions were legislated in 2003-04 and 2004-05 in order for the State to cope with severe fiscal problems. There were three main components: the Sales Tax Triple Flip, Educational Revenue Augmentation Fund (ERAF) III, and the property tax

Swap of motor vehicle license fees (VLF). Senate Bill No. 1096, Chapter 211, Statutes of 2004 and Assembly Bill No. 2115, Chapter 610, Statutes of 2004 were the main legislation pieces. The Triple Flip allowed the State to take 0.25% of local sales and use tax to repay its Economic Recovery Bonds. The local counties and cities will be reimbursed for this loss from the ERAF fund until the State bonds are paid. ERAF III: an additional ERAF shift will be made by local taxing agencies for 2004-05 and 2005-06 only. The motor vehicle license fee swap for property taxes is to be a permanent swap from ERAF. Future VLF swap monies are to be considered property tax revenues. See the SB1096 Gymnastics chapter and the respective Guidelines for specifics.

Significant Legislation Prior to Proposition 13

A summary of some legislation passed before Proposition 13 but still in effect follows.

A. Payments on Exempt Property of the United States

According to R&T Code 4653.2, passed in 1951, modifying R&T Code 4653.5 passed in 1944, the county auditor may receive and distribute payments in lieu of taxes on property which belongs to the United States and is exempt from taxation.

B. Homeowner's Property Tax

In 1972 the \$7,000 exemption from property tax for homeowners was passed (R&T Code §218). Article XII §25 provides that the legislature shall reimburse each local government for revenue lost because of the homeowner property tax exemption.

C. Timber Yield Tax

A **timber yield tax** was imposed on timber harvested after April 1, 1977. The tax is calculated at the rate of 6 percent of the total immediate harvest value of that timber.

** Uniform Guidelines for California Counties prepared by the County Accounting Standards and Procedures Committee exists for all noted topics.*

APPENDIX A
FOUR KEY PROVISIONS OF PROPOSITION 13
STATE OF CALIFORNIA CONSTITUTION, ARTICLE XIII A

Proposition 13 had four key provisions:

1. Tax rate limit - The property tax rate could not exceed 1% of the assessed value, but an additional rate could be levied for existing voter-approved debt (Article XIII A, Section 1).
2. Acquisition Value Assessments - For locally assessed real property the initial base assessed value could not exceed the 1975-76 assessed value. The base value could be increased each year by the percentage increase in the CCPI, not to exceed 2%. Prior to Proposition 13, California was a market value based property tax system.

Property acquired through a change of ownership or by new construction could be reassessed at its current **market value** but is then subject to the same limits on future growth. Four exceptions are:

- When market value is lower than acquisition value the market value becomes the value for tax purposes
 - Property transfers to family meeting certain qualifications will not be reassessed.
 - Certain other changes of ownership will not generate reassessment. These changes were added to Article XIII A by voter approval after 1978.
 - State regulated utility property assessed by the State Board of Equalization is not subject to the acquisition value limitation.
3. Legislative vote requirements - A vote of the legislature is required to increase state taxes.
 4. Local Taxes - A vote of the electorate is required to increase local special taxes. This provision which controlled assessment increases by property owners was a response to the taxpayer revolt.

The provisions safeguarding property tax increases were responses to expected arguments that additional special taxes would increase to replace lost property tax revenue.

APPENDIX B

1979-80 BASE CALCULATIONS - AB8

For 1979-80, a one-time adjustment was made by increasing the county, city and special district property tax by the amount of 1978-79 "block grant" amounts (adjusted for various factors), and reducing the school property tax by the same amount.

The county auditor calculated a 1979-80 base amount equal to the amount of property tax received (share of the \$4.00 tax rate) in 1978-79 for all agencies (schools, cities, counties, and special districts). The amount was then adjusted as follows:

- Cities - Increased by 82.91 percent of the city's 1978-79 block grant.
- Counties - Adjusted by the sum of (1) 1978-79 block grants, plus (2) amounts specified in AB8 representing reduction in state buy out of Aid to Families with Dependent Children (AFDC) costs, minus (3) new state grants for county health services. This total, whether positive or negative, was added to the 1978-79 property tax amount.
- Special Districts - Increased by 95.24 percent of 1978-79 block grant - see discussion of the Special District Augmentation Fund.
- Schools - The total of the amount added for the county and all cities and special districts within the county is subtracted from the amount of 1978-79 school property tax, the reduction was allocated among school districts within the county in proportion to school districts' 1978-79 property tax.

The 1978-79 block grant amounts added for cities, counties and special districts were pursuant to SB154, SB2212 and SB31, without regard to the reserve requirements and other restrictions imposed by those bills.

For multi-county special districts, the amount of a district's 1978-79 block grant with respect to each county was the total block grant apportioned according to the relative amounts of the district's assessed value in each county.

City Incorporations During Fiscal Year 1978-79

Proposition 13 provided the following special provisions for these city incorporations: "For the purpose of determining the amount of property tax to be allocated in the 1979 80 fiscal year and each fiscal year thereafter, for a city incorporation that was filed pursuant to §§54900 to 54904 after January 1, 1978, but on or before January 1, 1979, the amount of property tax revenue considered to have been received by the jurisdiction for the 1978 79 fiscal year shall be equal to two thirds of the amount of property tax revenue projected in the final local agency formation commission staff report pertaining to the incorporation multiplied by the proportion that the total amount of property tax revenue received by all jurisdictions within the county for the 1978 79 fiscal year bears to the total amount of property tax revenue received by all jurisdictions within the county for the 1977 78 fiscal year. Except, however, in the event that the final commission report did not specify the amount of property tax revenue projected for that incorporation, the commission shall by October 10, determine pursuant to §54790.3 of the Government Code the amount of property tax to be transferred to the city. The provisions of this subdivision shall also apply to the allocation of property taxes for the 1980 81 fiscal year and each fiscal year thereafter for incorporations approved by the voters in June 1979."

Part 2

DIRECT CHARGES – SPECIAL TAXES AND SPECIAL ASSESSMENTS

INTRODUCTION

Direct charges come in many types. Often there is confusion surrounding the various types of direct charges, particularly ***special taxes*** and ***special assessments***. The Auditor should be aware of the underlying nature of each direct charge on the tax roll, in part to ensure that the levy is authorized to be placed on the tax roll.

Direct charges can be broken into several basic categories:

- Special taxes
- Special assessments, including benefit assessments
- Fees and charges
- Delinquent fees and charges
- Abatements

Direct charges do not include:

- General taxes (1%)
- ***General obligation bonds***
- Sales and use tax
- Income tax
- Developer fees
- Transient occupancy tax
- Transfer tax
- DMV fees
- State fire prevention fee
- Homeowner Association Dues (nothing private can go on the tax rolls)
- Mortgage Liens (nothing private can go on the tax rolls)
- Mechanic's Liens (nothing private can go on the tax rolls)

The two most common direct charges on the tax roll are special taxes and special assessments which will be the focus of this chapter. The objective of this chapter is to:

- Discuss the similarities and differences between special taxes and special assessments;
- Highlight the major historical points for both special taxes and special assessments in a chronological order;
- Describe the increased complexity to create special taxes and special assessments since Proposition 13 passed in 1978;
- Describe the increased reporting requirements for both special taxes and special assessments since Proposition 13 passed in 1978;
- Demonstrate that while special taxes and special assessments remain valid methods for taxing jurisdictions to obtain revenue, the process is more complex now than in 1978.

MAIN TOPIC

The chart below separates a few examples of common direct charge levies into their respective category of special taxes or special assessments:

Special Tax Examples	Special Assessment Examples
Voter Approved Special Taxes (GC§50075)	Improvement Bond Act of 1915 (SHC§8500/10000)
Qualified Special Tax (GC§50079) for K-12 schools	Landscaping and Lighting Act of 1972 (SHC§22500)
Mello-Roos Community Facilities District Act of 1982 Special Tax (GC§53311)	Benefit Assessment Act of 1982 (GC§54703)
Fire Protection & Prevention Special Tax (GC§53978)	Fire Suppression Assessment (GC§50078)

There are many traits commonly shared by special taxes and special assessments, to include:

Trait (as related to property tax bills)	Special Taxes	Special Assessments
Must be “special” versus “general” purpose	Yes	Yes
Related to property	Yes	Yes
Unrelated to value of the property	Yes	Yes
Unrelated to 1% Proposition 13 general taxes	Yes	Yes
Unrelated to general obligation bond taxes	Yes	Yes
Unrelated to ad valorem taxes	Yes	Yes
Statutory authority exists for creation	Yes	Yes
Can typically be placed on the tax bill	Yes	Yes
Taxing jurisdiction may have both special tax and special assessment at the same time	Yes	Yes
Taxing jurisdiction may have in addition to ad valorem taxes	Yes	Yes

However, special taxes and special assessments are also differ in many ways, to include:

Trait	Special Taxes	Special Assessments
Underlying statutory authorization	Various, but differs from special assessments	Various, but different from special taxes
Age	Younger – basically didn't exist until Proposition 13 created them	Some statues >100 years old (e.g. Improvement Act of 1915)
Reach	Frequently district wide, especially for single purpose districts	More commonly a limited area within a district

Limitations?	Some have statutory limitations (e.g. "levy all property uniformly")	Yes, determined mostly by underlying statutory authority, Prop 218, engineer's report, and case law
Is "nexus" between levy and benefit necessary?	No	Yes
Subject to Proposition 218's umbrella-oriented procedures?	No	Yes
Subject to electorate approval (e.g. $\frac{2}{3}$ registered voters)?	Yes, however CFDs can have a substitute weighted vote of landowners if <12 registered voters in district OR a "voluntary annexation" by property owner	No, although there is a majority protest process by <u>property owner</u> (not an "election")
Propositions/ laws/court cases (examples)	Prop 13; Prop 62; Prop 218; SB165 local agency special tax & bond accountability act; Prop 26; Borikas v Alameda Unified School District; AB2109 reporting to SCO; AB2476 mail notice to property owners.	Prop 218; Lots of case law

Proposition 13 (Affects Special Taxes)

Special taxes didn't exist until Proposition 13 (6/6/1978) added Articles XIII A and XIII B to the State Constitution, thereby creating the financing methodology.

"Section 4. Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district."

Proposition 13 contained key components that limited the taxing jurisdictions traditional ad valorem funding mechanisms, such as:

- Limited "Assessed Value".
- Changed taxing structure from market value to historical acquisition based.
- Set General Tax rate at 1% (R&T Code §96.8 is exception to make <1%).
- Eliminated taxing jurisdiction's ability to set a general tax rate.
- Gave power of distribution of the "Proposition 13's 1% pie" to the State Legislature.

Proposition 13's limitation on traditional ad valorem funding mechanism resulted in many taxing jurisdictions asking voters to approve special taxes to provide extra revenue for a specific purpose(s). Since many small districts are single purpose (e.g. road maintenance), their special taxes would essentially have the same use as their general purpose revenues. Usually no nexus of special tax paid versus the benefit received is needed for special taxes. Special taxes may be used for any legal purpose of the district which is approved by the voters.

Proposition 13, however, didn't define what special taxes meant. In 1982, the Courts defined that special taxes meant "those used for a specified purpose".

Proposition 13 did not alter special assessments. Special assessments continued to be a viable method of public financing/revenue. However, the usage and types “multiplied” in the post-Proposition 13 era. New special assessment types created included:

- Benefit Assessment Act of 1982 (Government Code {Gov Code} §54703, added by Stats 1982 Ch 487);
- Fire Suppression Assessments (Gov Code §50078, added by Stats 1981 Ch 971).

Proposition 62 (Affects Special Taxes)

Proposition 62 (passed November 1986, declared constitutional 1995) was intended to close “loopholes” from Proposition 13’s various case law (see <http://www.hjta.org/propositions/proposition-62/>). Proliferation of post-Proposition 13 special taxes is arguably the reason for Proposition 62. However, Proposition 62 did not change the State Constitution. Instead, it codified certain statutes with the following additions to Government Code §53720 through §53730:

- Added definitions for “local government” and “district”.
- Clarified the difference between general taxes and special taxes.
- Specified that special tax revenues must be used only for the purpose/service for which imposed.
- Proposition 13’s intent was to give power to the legislature to create special taxes; however, Gov Code §50075 provided no actual authority for districts to ask voters to approve special taxes. Proposition 62 provided a clarification to this controversy by prohibiting any county/city/special district from imposing any new special tax unless expressly authorized to do so by the Legislature.
- Specified that neither Proposition 62 nor Proposition 13 shall be construed to authorize any local government or district to impose any general or special tax which it is not otherwise authorized to impose. This provision called into question the taxing power of all local districts that looked to the general enabling legislation enacted after Proposition 13 (AKA Gov Code §50075).

More lawsuits followed challenging special taxes that were imposed after Proposition 13, but before the effective date of specific enabling legislation that had resulted as an after-effect from Proposition 62. One such lawsuit, *California Building Industry Assn v. Governing Board of Newhall School District of Los Angeles County* (1988), was filed on 6/23/1987 against five Los Angeles County school districts (Newhall School District, Saugus Union School District, Castaic Union School District, William S. Hart Union High School District, and Sulpher Springs Union School District) who had passed ballot measures on 6/2/1987. The Appellate Court (2nd District) said:

- All five were invalid due to the lack of specific enabling legislation.
- Although the school districts had cited Proposition 13, Article XIII A, Section 4 as their authority to impose the special taxes approved by their electorate on the 6/2/1987 ballots, no such authority was granted by the State Constitution (Proposition 13, Article XIII A, Section 4).
- Proposition 62 confirmed that Proposition 13 Section 4 wasn’t intended as an automatic granting of new taxing authority.
- Proposition 62 specifically withdrew the enabling legislation contained in Gov Code §50075. Thus in the immediate aftermath of Proposition 62, districts had no power to tax until such time specific enabling legislation was enacted. For the situation of the five school districts, the specific enabling legislation was Gov Code §50079, which wasn’t effective until 7/2/1987 – one month after the five school districts ballot measures.

- Newly enacted Gov Code §50079 (effective 7/2/1987) didn't constitute a post-vote ratification to the 6/2/1987 ballot measures of the five school districts.
- The five school districts had made a transparent attempt to circumvent the dollar limits imposed by statutory provisions.
- What the school districts sought to impose as special taxes were not taxes at all, but were actually in the nature of development fees. When properly considered as development fees, they exceeded the five school districts' authority and were still invalid.

The outcome of Proposition 62 was a “flurry of legislative activity” which added many statutory provisions expressly authorizing various local districts to levy special taxes in accordance with the dictates of Proposition 13 and Proposition 62. Some of these statutes included conditions/limitations such as “uniformity” requirements. Exhibit 1 provides a non-inclusive list of the special taxes added by the Legislature following Proposition 62, including any conditions/limitations.

Proposition 218 (Affects Special Taxes, Special Assessments, and Fees/Charges)

Proposition 218 (passed November 1996) was called the “Right to Vote on Taxes Act.” It was authored primarily by Jon Coupal of the Howard Jarvis Taxpayers Association who cited the following paraphrased reasons for its need (the full list of reasons can be located at www.hjta.org):

- Proposition 13 intended effective tax relief and to require voter approval of tax increases.
- Local governments ignored Proposition 13 & subjected taxpayers to excessive tax, assessment, fee and charge increases that frustrate the voter approval process and threaten the California economy.
- Proposition 218 protects taxpayers by limiting methods by which local governments can exact revenue from taxpayers without their consent.

Proposition 218 added Article XIIC and XIID to the State Constitution. Article XIIC deals with special taxes, while Article XIID deals with special assessments and fees/charges. There were three main elements of the initiative, each relating to voter and taxpayer control over local levies (see <http://www.hjta.org/propositions/proposition-218/text-proposition-218-analysis/>):

1. Define general and special taxes and make some clarifications (XIIC).
2. Special assessment reform (XIID) with a goal of “returning” special assessments to legitimate financing mechanisms for capital improvements/services that provide particular benefits to property, rather than a means to impose flat rate parcel taxes. Note that in general when the property tax world discusses Proposition 218, special assessments are being discussed rather than special taxes.
3. Property related fees and charges reform (XIID).

Specific to the special tax portion (Article XIIC), Proposition 218:

- Incorporated many aspects of Proposition 62 into the State Constitution (since Proposition 62 didn't change the State Constitution).
- Defined general taxes versus special taxes.
- Furthered the 1982 court decision which had said “those used for a specified purpose”.
- Clarified that special taxes are for a specific purpose versus general purpose. However, for a single-purpose district this typically has little meaning.
- Looked to the purpose of the funding, not to the name on the account. The intent was to prevent local governments from levying special taxes without a two-thirds vote simply by

laundering the proceeds through a general fund. As a result, a taxing jurisdiction couldn't avoid a $\frac{2}{3}$ electorate vote by calling a flat rate parcel tax an "assessment". Note that the tax roll may contain levies for older ballots that say "assessment" in the ballot language which are really "special taxes".

- Encompassed all governmental entities except for the State.
- Indicated that it is acceptable to write tax measures in a manner to incorporate future increases whereby the agency would not have to seek additional authorization from the voters for those increases.
- Other clarifications including that a $\frac{2}{3}$ electorate vote is a must.
- Constitutionalized the principles of *Rossi v Brown*, (1995) 9 Cal.4th 688, to uphold the right of the electorate to use the local initiative power to reduce or eliminate government imposed levies via the initiative process.

Specific to the special assessment and fees/charges portion (Article XIID), Proposition 218:

- Limited what levies can be imposed on real property.
- Added Proposition 218 "umbrella-oriented" rules that are in addition to any existing procedures for special assessments or fees/charges.
- Defined a special assessment as:
 - Levy or charge upon real property for a special benefit.
 - Includes Special Assessment, Benefit Assessment, Maintenance Assessment, "Special Assessment Tax", etc.
- Defined special benefit versus general enhancement of property. This is important for inclusion in the engineers report and to show nexus.
- Defined fee/charge as:
 - Imposed on a parcel/person as an incident of property ownership.
 - Includes most fees/charges for property related service.
- Included reforms for approving both assessments and fees/charges; however, special assessments are the focus of this chapter.

The goal of the reforms was to reinstate special assessments as a legitimate financing mechanism for capital improvements/services. These improvements are for specific benefits to property rather than a means to impose flat rate parcel taxes. The reforms included the following requirements for special assessments:

- The Special assessment amount must be proportional to the special benefit received. There must be a nexus.
- Public owned property cannot be exempted (a few exceptions are allowed). Note that the State Administrative Manual (SAM) directs the State to pay bills for those that are post-Proposition 218.
- Only special benefits are assessable. The agency must separate general benefits from the special benefits conferred on a parcel. The burden of proof is on the agency to show the special benefit over and above the benefits conferred on the public at large (general benefit) and that the amount of any contested assessment is proportional to, and not greater than, the benefits conferred on the properties in question.
- The assessment amount can't exceed cost of special benefit received.
- The assessment amount must be supported by Engineer's report. The Engineer signing the report must be a professional Engineer who is certified/registered by State of California.
- Notices with certain content mailed to property owners.
- A "weighted" ballot mailed to property owners (not the registered voters). A majority protest exists if weighted ballots submitted in opposition exceed weighted ballots

submitted in favor. If majority protests, the agency shall not impose an assessment.

- o The majority protest is not an election. Instead it is a determination of whether an agency's board can/can't proceed with consideration/approval of the special assessment.
- o The majority protest ballots may be disclosed as public records.
- The reforms were effective 7/1/1997 even for existing special assessments, unless they met certain exceptions. Many of those assessments already on the tax bill (in 1997) met the exceptions; thus, Proposition 218 mostly applied to new special assessments.

Immediately following Proposition 218, local governments initially shifted from special taxes to special assessments because it was typically easier to “overcome” the 50% landowner majority protest process than the $\frac{2}{3}$ registered voter process of special taxes. The Proposition 218 majority protest process was easier because many landowners didn't return ballots (so they don't count) and the governing board of district was still the “decider” (if no majority protest). Within a few years, however, significant Proposition 218 case law (e.g. Golden Hill Neighborhood Association, Inc. V City of San Diego) caused a shift away from special assessments back to special taxes. Various Proposition 218 case laws have had the following effects:

- Narrowed what could be used to create “nexus”.
- Refined “special benefit” versus “general benefit/enhancement” as follows:
 - o Special benefit is “over and above” what others are getting.
 - o IF “district-wide” then probably is a “general benefit”.
 - o IF 90% special benefit, then 10% funding must be from other sources.

SB-165 (Affects Special Taxes)

The Local Agency Special Tax & Bond Accountability Act (SB 165, Statutes of 2000, Chapter 535, effective 1/1/2001) added Gov Code §50075.1, §50075.3, §50075.5, and §§53410 - 53412. It affects special taxes such as:

- Voter Approved Special Taxes imposed after 1/1/2001 (Gov Code §50075.1 et seq.).
- K-12 Qualified Special Taxes imposed after 1/1/2001 (Gov Code §50079 et seq.), since Gov Code §50079(a) says to use the procedures in 50075 et seq.).
- Mello-Roos Community Facilities District Act Special Taxes imposed after 1/1/2001 that provide for the sale of bonds (Gov Code §53410 et seq.)

District staff files the report to its own board which becomes a matter of public record. There is some argument that reporting only applies to the special taxes “passed” after 1/1/2001; however, to support this argument, words would have to be inserted and/or moved around. Instead Gov Code §50075.1 uses the word “imposed” which is a synonym for the word “levied”. Consequently, any Gov Code §50075 special tax levied after 1/1/2001 is subject to SB-165.

The law has no teeth in it. There are no penalties or sanctions. Some Auditors obtain a copy of the report under the Public Records Act for their annual direct charge file.

Proposition 26 (Affects Special Taxes + More)

Proposition 26 (passed November 2010) amended and added to the State Constitution, specifically Articles XIII A and XIII C. Proposition 26 was aimed toward the State and local governments' ability to tax. It broadened the definition of “tax” to include some levies previously

considered fees or charges, resulting in a wider application of voter-approval requirements. It clarified that the government bears the burden of proof for the following items:

- Proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax.
- The amount levied/charged doesn't exceed the cost.
- The costs are allocated in a fair manner or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Borikas vs Alameda Unified School District (Affects Special Taxes)

Alameda Unified School District (USD) passed Qualified Special Tax (§50079) Measure H on June 2008. Borikas sued alleging Measure H exceeded the taxing authority because the tax wasn't applied "uniformly". Borikas argued that Gov Code §50079(b) included the following requirements and limitations (emphasis added):

*§50079(b)(1) As used in this section, "qualified special taxes" means special taxes that apply **uniformly to all taxpayers or all real property** within the school district, except that "qualified special taxes" may include taxes that provide for an exemption from those taxes for all of the following taxpayers:*

(A) Persons who are 65 years of age or older.

(B) Persons receiving Supplemental Security Income for a disability, regardless of age.

(C) Persons receiving Social Security Disability Insurance benefits, regardless of age, whose yearly income does not exceed 250 percent of the 2012 federal poverty guidelines issued by the United States Department of Health and Human Services.

*(2) **"Qualified special taxes" do not include special taxes imposed on a particular class of property or taxpayers.***

The Trial Court ruled in favor of District. The Appellate Court ruled in favor of Borikas and invalidated part of the measure (which had a severability clause). The Appellate Court said, in part, that Gov Code §50079's "...language at issue was intended to be a constraint on the extent of the taxing authority delegated to the local governmental entities." In 2013, the State Supreme Court denied reconsidering the Appellate decision -- an action that resonated across the state for many special taxes.

Comments from Appellate Court's Decision included the following:

- §50079 "doesn't contain meaningless surplusage."
- §50079.1's (Community College) "differing language is relevant, as is other subsequent legislation using the same "apply uniformly to all taxpayers or all real property within the district" language."
- §50079 "is indeed a language of limitation."
- §50079's "language at issue was intended to be a constraint on the extent of the taxing authority delegated to the local governmental entities."
- If §50079 "didn't include language in question, then district could create rational tax classifications and impose differential tax rates because legislature would have given the broadest taxing authority bounded only by the equal protection principles."

Technically, only Gov Code §50079 (K-12 Qualified Special Tax) was tested in Borikas. However, throughout the State, most believe the decision applies to any "uniformity" language which is found in many other special taxes. Some comments from across the State include:

- "Legal observers say the Measure H decision will resonate across the state if other districts

seek to impose a similar, uneven tax. Indeed, some districts in the Bay Area have similar parcel taxes.” *Capitol Weekly as reported in CaliforniaCityNews.org, June 2013*

- “Effectively this can mean trouble for parcel taxes that are not levied in a “uniform” manner, meaning not every parcel is levied the same dollar amount.” *NBS letter to California Colleagues, 7/1/13*
- “...may affect local parcel taxes by applying an unnecessarily restrictive interpretation of the word “uniformly” found in Government Code section 50079(b)(1). CSDA filed legal requests for the case to be depublished and reviewed by the Supreme Court.”

Legislative Highlight csda.net, 6/26/13

Note: the case wasn't “depublished”

AB-2109 (Affects Special Taxes)

AB 2109 (Chapter 781, Statutes 2014) added Gov Code §12463.2 and requires reporting of special taxes to the State Controller's Office (SCO) for compilation and dissemination to interested parties. County, cities, districts, **Joint Powers Authorities (JPA)** who collect “parcel taxes” (special taxes) on the tax roll are required to report. Due to unintended wording in the law (whereby only those reporting to the SCO are subject to AB-2109's reporting requirement) school districts were exempt from reporting (since K-12 schools don't report to the SCO).

Specifically, the local agency responsible/authorized for placing the levy on the tax roll is responsible for reporting to the SCO. This is typically the levying public entity, but may be a different public entity than the recipient of the proceeds.

AB 2109 uses the term “Parcel Tax” as codified in Gov Code §12463.2(c) as *“For purposes of this section, “parcel tax” means a tax levied by a local agency upon any parcel of property identified using the assessor's parcel number system, or upon any person as an incident of property ownership pursuant to Section 4 of Article XIII A of the California Constitution, that is collected via the annual property tax bill.”* Based on this definition, the reporting includes all special taxes such as:

- Voter-Approved Special Taxes (Gov Code §50075 et seq.)
- Mello-Roos Community Facilities District Special Taxes (Gov Code §53311 et seq.)
- Fire Protection & Prevention Special Tax (Gov Code §53978 et seq.)
- Police Protection Services Special Tax (Gov Code §53978 et seq.)
- Qualified Special Taxes (K-12 Only) (Gov Code §50079 et seq.). However, due to unintentional wording, K-12's do not report.

The definition of “parcel taxes” in Gov Code §12463.2(c) would not include levies such as general taxes, general obligation bonds, special assessments, fees/charges, and abatements. Exhibit 2 navigates the process of determining if levies qualify for inclusion in the reporting.

The Auditor isn't involved in the process unless:

- The Auditor prepares the SCO's annual Financial Transactions Report for the County or a dependent special district;
- The Auditor prepares the SCO's annual Financial Transactions Report for any City and/or Special District (under contract). In this case, the Auditor would need to work with the city/special district to determine who will do this part of the report. This may involve amending contracts with the districts regarding the work performed on their behalf by the Auditor.

Reporting is done via the Annual Special Districts Report to the SCO. It isn't part of the Revenue Section of the Financial Transactions Report. Instead, it has its own special section. Reporting commenced with the report of Summer/Fall 2016. The reporting includes:

- Identification of the Special Tax;
- Type and rate of parcel tax imposed;
- Number of parcels subject to the parcel tax;
- Sunset date of the parcel tax, if any;
- Amount of revenue received from the parcel tax; and
- Manner in which the revenue received is used.

AB-2476 (Affects Special Taxes)

AB-2476 (Chapter 269, Statutes 2016) affects special taxes approved by the voters after 1/1/2017. AB-2476 added Gov Code §54930. It requires the local agency to notify property owners who reside outside of the district boundaries of certain information regarding new special taxes. The notification, in a specified format, must be sent to non-resident property owners via the United States mail. The notification must include the following items:

- The amount or rate of the parcel tax in sufficient detail to allow each property owner to calculate the amount of special tax to be levied against the owner's property;
- The method and frequency for collecting the special tax, and the duration of time during which the special tax will be imposed;
- The telephone number and address of an individual, office, or organization that interested persons may contact to receive additional information about the special tax.

Local agencies are allowed to recover their costs regarding AB-2476 from the proceeds of the special tax. The Auditor has no role in this unless, perhaps, the new special tax is for a County or Dependent Special District. However, for "best practices" the Auditor may consider obtaining a copy, under the Public Records Act, for the Auditor's direct charge file.

ADDITIONAL CONSIDERATIONS

The following are additional resources regarding the topic:

- Legislative Analyst's Office (www.lao.ca.gov)
 - o Nonprofits and the Property Tax, 2/3/2014
 - o Voter-Approval Requirements for Local Taxes, 4/8/2013
 - o Understanding California's Property Taxes, 11/29/2012
 - o Overview of Proposition 26, 9/29/2010
 - o California's Tax System: A Primer, 4/9/2007
 - o Understanding Proposition 218, 12/17/1996
- www.hjta.org
- <https://www.cacities.org/UploadedFiles/LeagueInternet/c2/c2f1ce7c-2b14-45fe-9aaa-d3dd2e0ffecc.pdf>
- Various Propositions
- Various court case decisions

RELATED TOPICS

Direct Charges
Bond Administration

Exhibit 1

Special Tax Statutes Added After Proposition 62

District Type	Code §	Timing Reference	May levy special tax per GC §50075?	Is “uniformly to all taxpayers or real property” required?	May unimproved property be “taxed at a lower rate than improved property”?	Other requirements?
Airport	GOV §26020	Amended 2008	Yes	n/a	n/a	specific spending timelines
Airport Districts	PUC §22909	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
City Property Hospitals Managed by Board of Hospital Trustees	GOV §37617	Amended 2008	Yes	n/a	n/a	specific spending requirements
Community College	GOV §50079.1	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Community Services Districts	GOV §61121	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
County for Advertising	GOV §26100	Amended 2008	Yes	n/a	n/a	specific spending requirements
County for Local Health Department	GOV §101350	Amended 2009	Yes	n/a	n/a	specific spending requirements
County Generally	GOV §23027		Yes	Yes	Yes	
County Highways	SHC §1550.2	Repealed & Added 2009, Ch 332	Yes	n/a	n/a	
County or City Buildings/etc for Vets	MVC §1262	amended 2013, Ch 697	Yes	n/a	n/a	specific spending requirements
County Service Areas	GOV §25215.2	Added Stats 1989, Ch 360 as §25210.6. Renumbered to §25215.2 in Stats 2008 Ch 158	Yes	Yes	Yes	

Exhibit 1

Special Tax Statutes Added After Proposition 62

District Type	Code §	Timing Reference	May levy special tax per GC §50075?	Is "uniformly to all taxpayers or real property" required?	May unimproved property be "taxed at a lower rate than improved property"?	Other requirements?
County Veterans Institutions	MVC §1121	Amended 2009, Ch 332	Yes	n/a	n/a	
County Water Districts	WAT §31653	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Fire	GOV §13911	1987, Ch 1013	Yes	n/a	n/a	
Fire (not a §50075 type)	GOV §53978 & HSC §13913	Added ?, Amended Stats 1987 Ch 1013. 1987, Ch 1013	n/a	n/a	n/a	Lots of options available; Can't charge > for new construction
Harbor Districts	HNC §6092.5	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Hospitals Districts	GOV §53730.01	Stats 1998 Ch 1345	YES + §53720 et seq	Yes	n/a	
K-12	GOV §50079	Added Stats 1987 (AB1440) effective 7/2/87 Amended Stats 2006 Ch 41 to exempt some disabilities	Yes	Yes	n/a	exemption potentially available for Seniors/SS disability
Irrigation Districts	WAT §22078.5	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Memorial Districts	MVC §1192.5	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Mosquito Abatement and Vector Control Districts	HSC §2081	Added 2002, Ch 395	Yes	n/a	n/a	
Municipal Utility District	PUC §12891.5	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Municipal Water District	WAT §72090.5	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	

Exhibit 1

Special Tax Statutes Added After Proposition 62

District Type	Code §	Timing Reference	May levy special tax per GC §50075?	Is "uniformly to all taxpayers or real property" required?	May unimproved property be "taxed at a lower rate than improved property"?	Other requirements?
Pest Abatement Districts	HSC §2871.8	Added 1984, Ch 911	Yes	n/a	n/a	
Public Cemetery Districts	HSC §9081	Added Stats 1991, Ch 70 as §8981.5. Renumbered to 9081?	Yes	Yes	Yes	
Public Library Special Taxes	GOV §53717		YES + §53720 et seq	Yes	n/a	
Police Protection District in Unincorporated towns	HSC §20110	Repealed and Added 2007, Ch 343	YES	Yes	n/a	
Police Protection Services (not a §50075 type)	GOV §53978 & HSC §20110	Added ?, Amended Stats 1987 Ch 1013	n/a	n/a	n/a	
Port Districts	HNC §6364	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Public Utility Districts	PUC §16641.5	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Public Works Sidewalks	GOV §40471	Added 1971, Ch 350	Yes	n/a	n/a	can't exceed \$3. Very specific, looks more like service charge vs spcl tax?
Recreation and Park Districts	PRC §5789.1	Added Stats 2001, Ch 15 as §5784.39. Renumbered to §5789.1	Yes	Yes	Yes	
Regional Park/Park & Open Space/Open-Space Districts	PRC §5566		Yes	levied uniformly to all T/P (no mention of real property)	n/a	

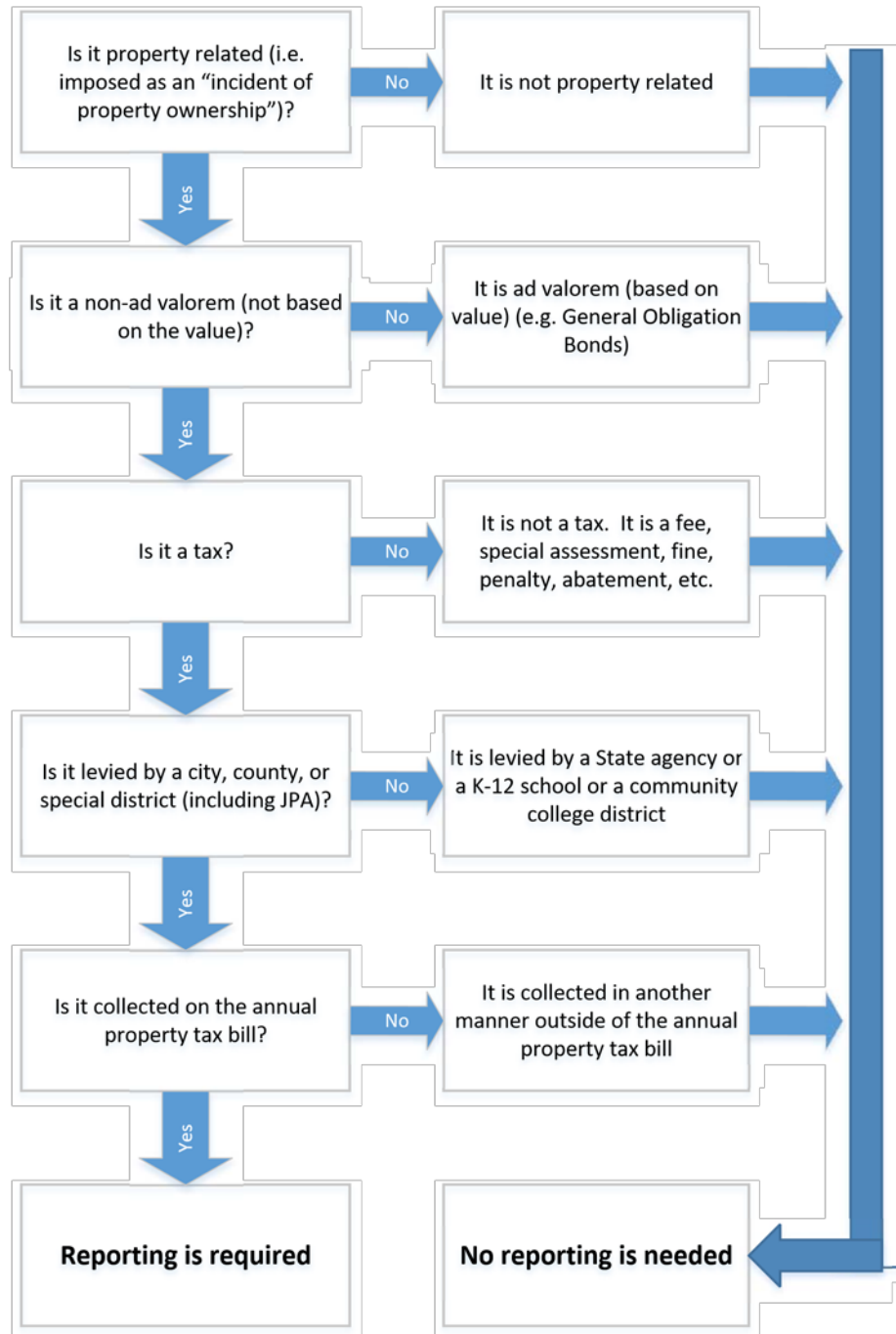
Exhibit 1

Special Tax Statutes Added After Proposition 62

District Type	Code §	Timing Reference	May levy special tax per GC §50075?	Is “uniformly to all taxpayers or real property” required?	May unimproved property be “taxed at a lower rate than improved property”?	Other requirements?
Resort Improvement District	PRC §13161.5	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Resource Conservation District	PRC §9513	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	
Santa Clara county Open Space Authority	PRC §35172		Yes	Yes	Yes	
Transit Districts in Counties of Alameda or Contra Costa	PUC §25892.1	Added Stats 1991 Ch 70 (SB158)	Yes	Yes	Yes	

Exhibit 2

Is Levy Reportable to the State Controller's Office Under AB-2109



Overview Section Chapter A-3

ORGANIZATIONAL INTERFACE

INTRODUCTION

The purpose of this chapter is to provide a general overview of the relationships of those parties involved in the administration of property tax.

MAIN TOPIC AND METHODOLOGY

Property tax administration is a team effort that includes the State **Board of Equalization (BOE)**; the **Local Agency Formation Commission (LAFCO)**; the County Assessor, Auditor-Controller and Tax Collector; the **Assessment Appeals Board (AAB)**, local **taxing jurisdictions**, and the State Controller's Office.

The BOE is the organization that is responsible for controlling the accuracy and completeness of the master files for taxing jurisdictions, and keeping track of their maps and **tax rate areas (TRAs)**. They play a major role in establishing new districts/agencies and maintaining records of their official boundaries. In addition, the BOE determines assessed values for **state assessed property**. (Some property values are determined by the local Assessor, and some, by law, are determined by the State. See Board of Equalization in the glossary.)

LAFCO is a commission made up of designated elected officials who, when acting as LAFCO, are responsible for administering applications to form new jurisdictions or revise the boundaries of existing ones. This is a pivotal process, during which LAFCO works closely with the BOE, the Assessor, the Auditor-Controller and affected local jurisdictions.

The County Assessor, Auditor-Controller and Tax Collector make up the primary county property tax administration team. The Assessor is responsible for establishing assessed values used in calculating property taxes, and maintaining ownership and address information. The Auditor-Controller calculates the taxes due. The Tax Collector bills and collects the taxes, and reports the amounts collected to the Auditor-Controller. The Auditor-Controller then allocates and distributes (apportions) the taxes to the appropriate jurisdictions countywide.

The local Assessment Appeals Board is a Board of Supervisors appointed board that hears appeals presented by property owners who believe the Assessor valued their property improperly. After hearing from both the property owner and the Assessor, the AAB determines the correct value to be used for the period(s) appealed.

Local taxing jurisdictions levy ad valorem taxes and certain special taxes, assessments, fees and charges. Each year, these local taxing jurisdictions submit listings of the parcels and related charges for each such levy to the Auditor-Controller for inclusion in the tax calculations and on the tax bills.

The State Controller has the responsibility of auditing county property tax allocation and apportionment systems.

Exhibit 1 is a flowchart showing the basic relationship of the parties who participate in the property tax administration process. A more substantial flowchart, showing an example of one County's entire administrative process is included in the Flowchart of Property Taxes chapter (A-4).

ACCOUNTING TREATMENT

N/A.

RELATED TOPICS

N/A.

The Property Tax System

An Overview

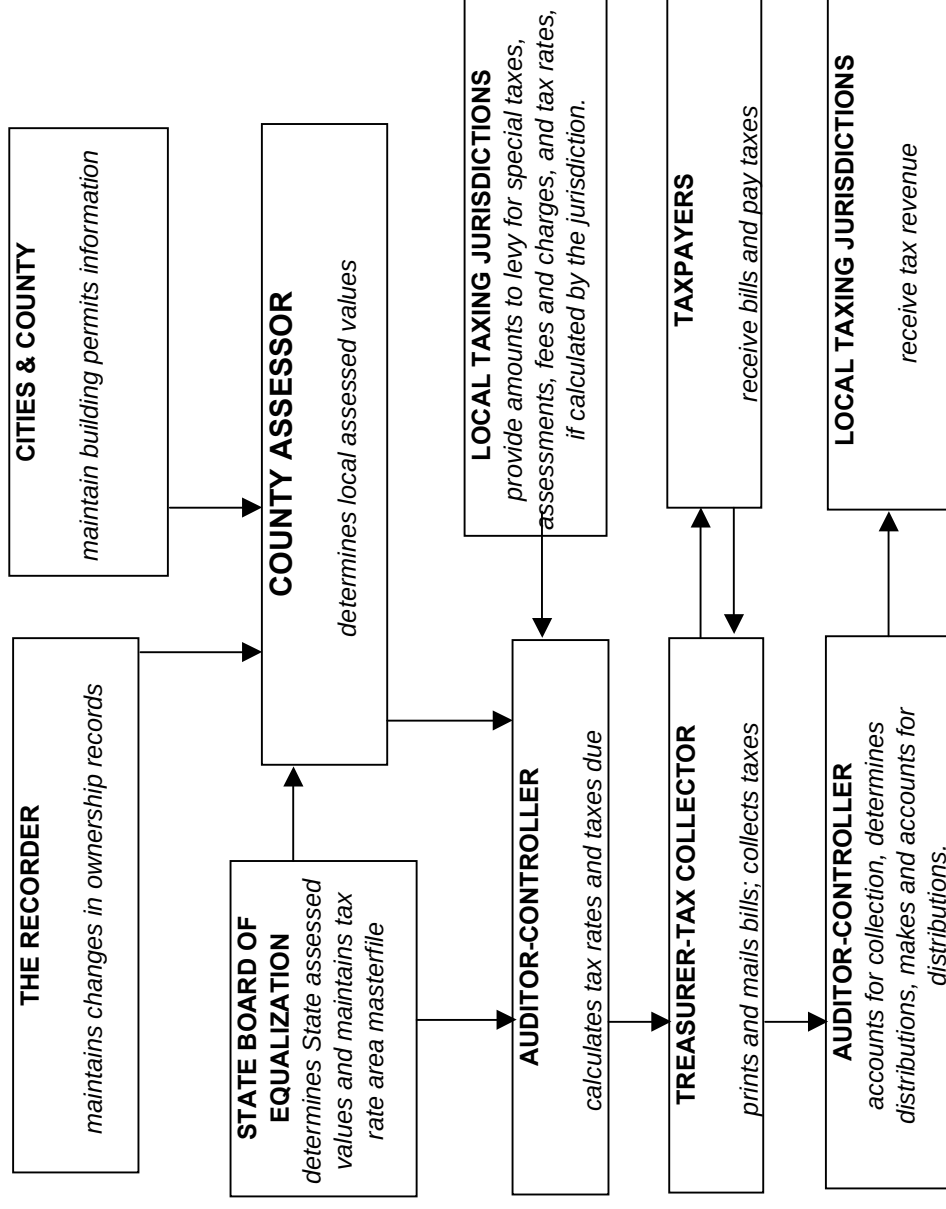


Exhibit 1

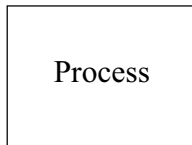
**Overview Section
Chapter A-4**

FLOW CHARTS

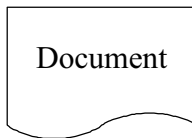
The Flow Chart Chapter consists of two parts, a Property Tax Process Summary Flow Chart section and a Property Tax Process Detail Flow Chart section. The following is a legend of commonly used abbreviations in the flow charts:

ADA	Average Daily Attendance
ATI	Annual Tax Increment
AV	Assessed Value
BOE	State of California Board of Equalization
CY	Current Year
ERAF	Educational Revenue Augmentation Fund
FY	Fiscal Year
LAFCO	Local Agency Formation Commission
PTX	Property Tax
PY	Prior Year
RDA	Redevelopment Agency
TRA	Tax Rate Area

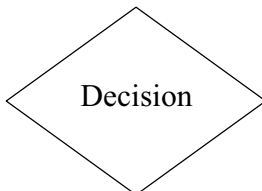
Commonly used symbols in the flow charts are:



An electronic or manual process performed



An electronic or manual document output

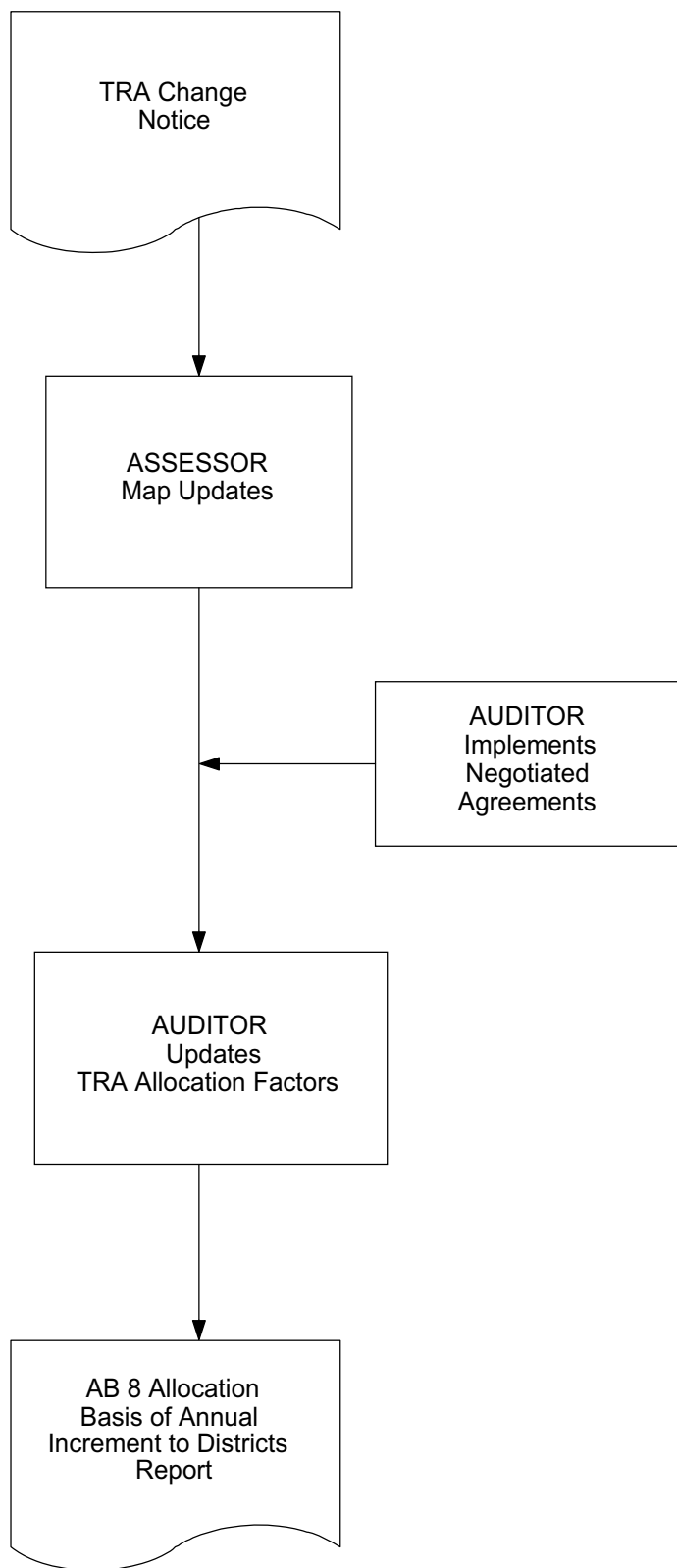


circumstances

PROPERTY TAX PROCESS SUMMARY FLOW CHARTS

**Note that the suggested procedures in the Summary Flow Charts
may differ in each county**

Jurisdictional Changes



GENERAL COMMENTS May not be related to the Flow Charts

Board of Equalization
(BOE) issues TRA Change
Notice for Jurisdictional
changes

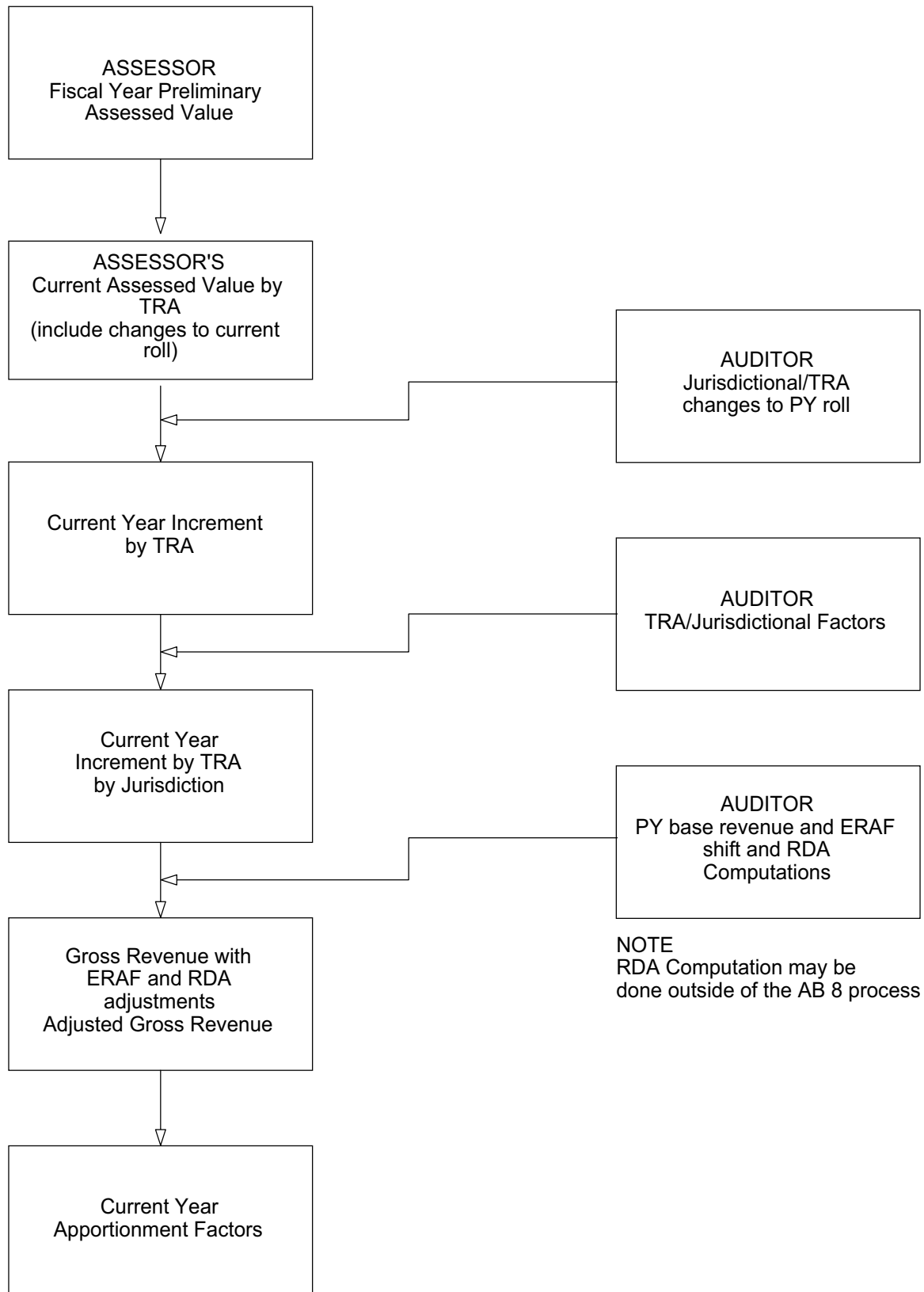
Assessor Changes maps
and notifies Auditor of Changes

Jurisdictions negotiate PTX
revenue exchanges
(approved by LAFCO)

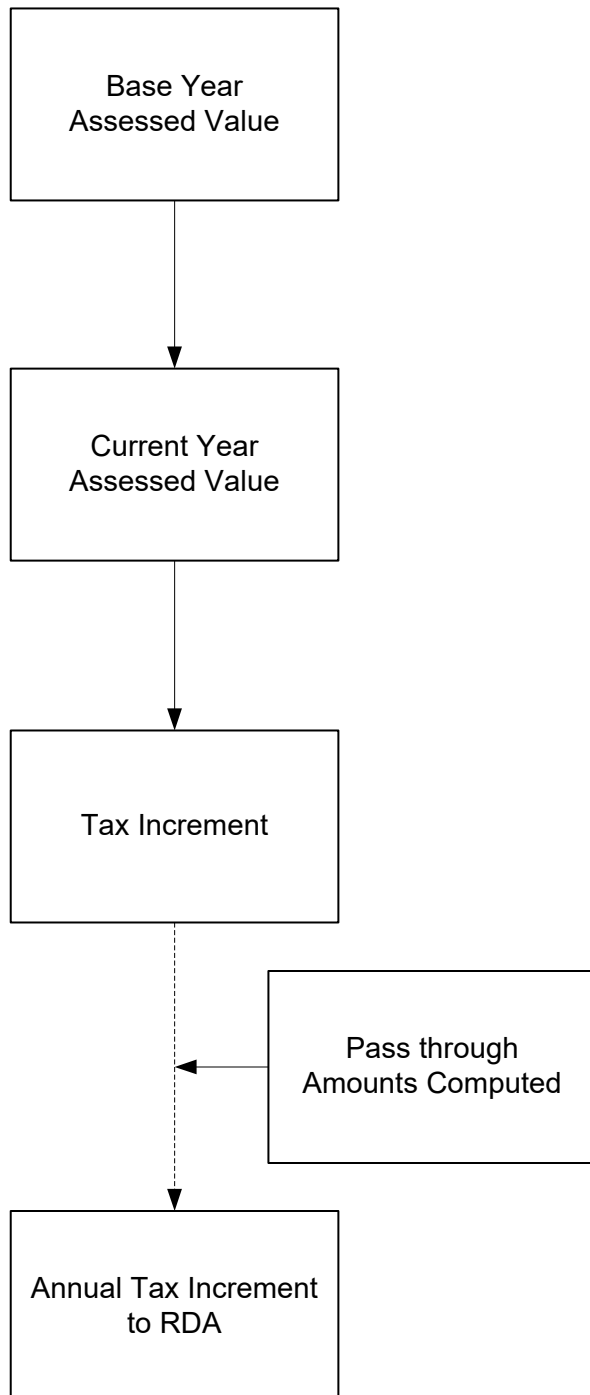
Auditor updates TRA allocation
factors based on approved
negotiated agreements.
Total TRA factors should
always equal 100%

This report shows the
updated TRA allocation factors
Allocation factors
are used to allocate
increment to jurisdictions

AB 8
ANNUAL TAX INCREMENT (ATI)



Redevelopment Agency Annual Tax Increment (ATI)



GENERAL COMMENTS

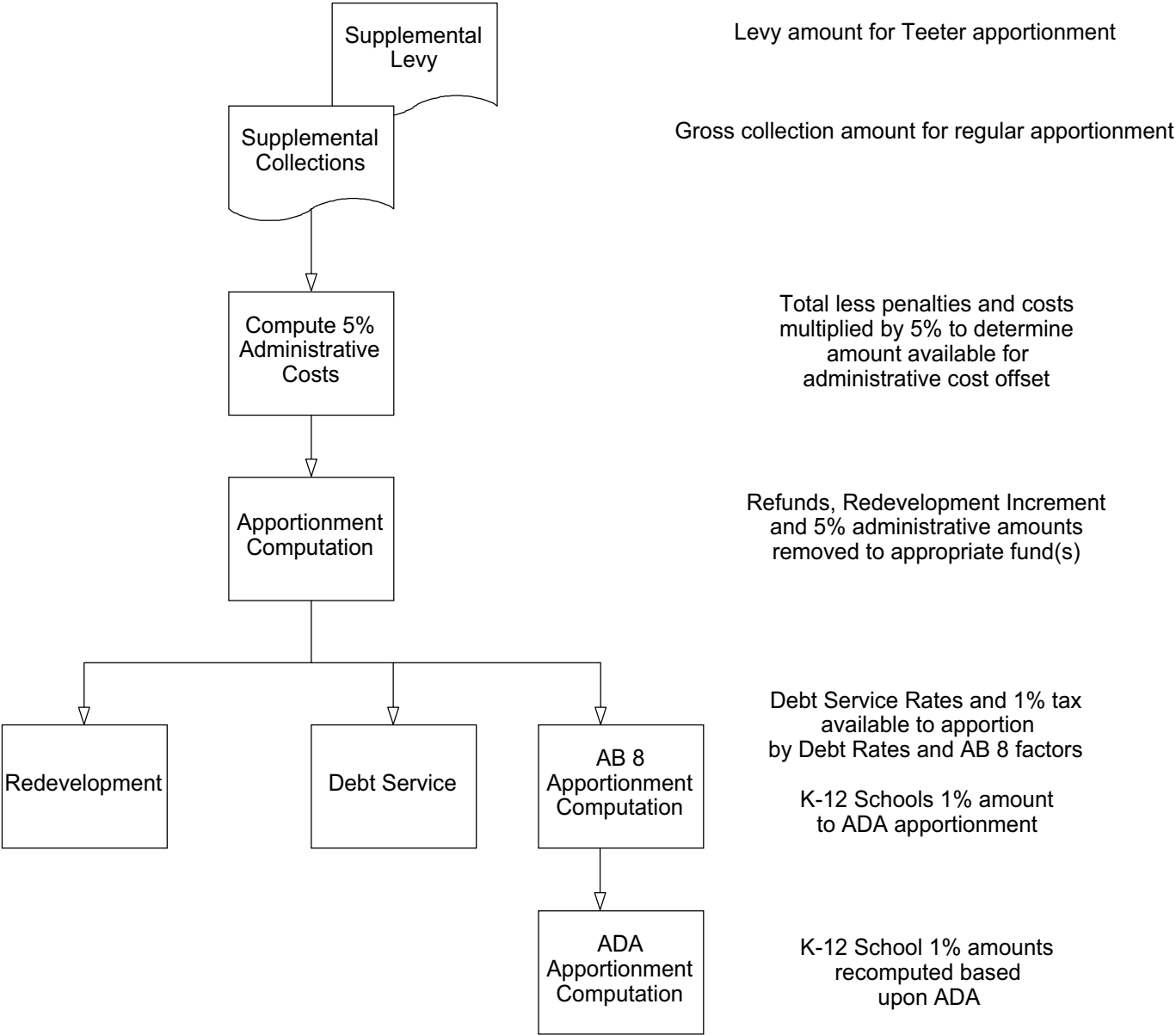
May not be related to the Flow Charts

Base Year secured, unsecured and utility Assessed Values for each TRA is subtracted from current year Assessed Value

Current values are from the equalized roll, with the utility values provided by the Board of Equalization and secured and unsecured values originating from the County Assessor

Current year Assessed Value less Base Year Assessed Value Multiplied by the Tax Rate Equals Tax Increment

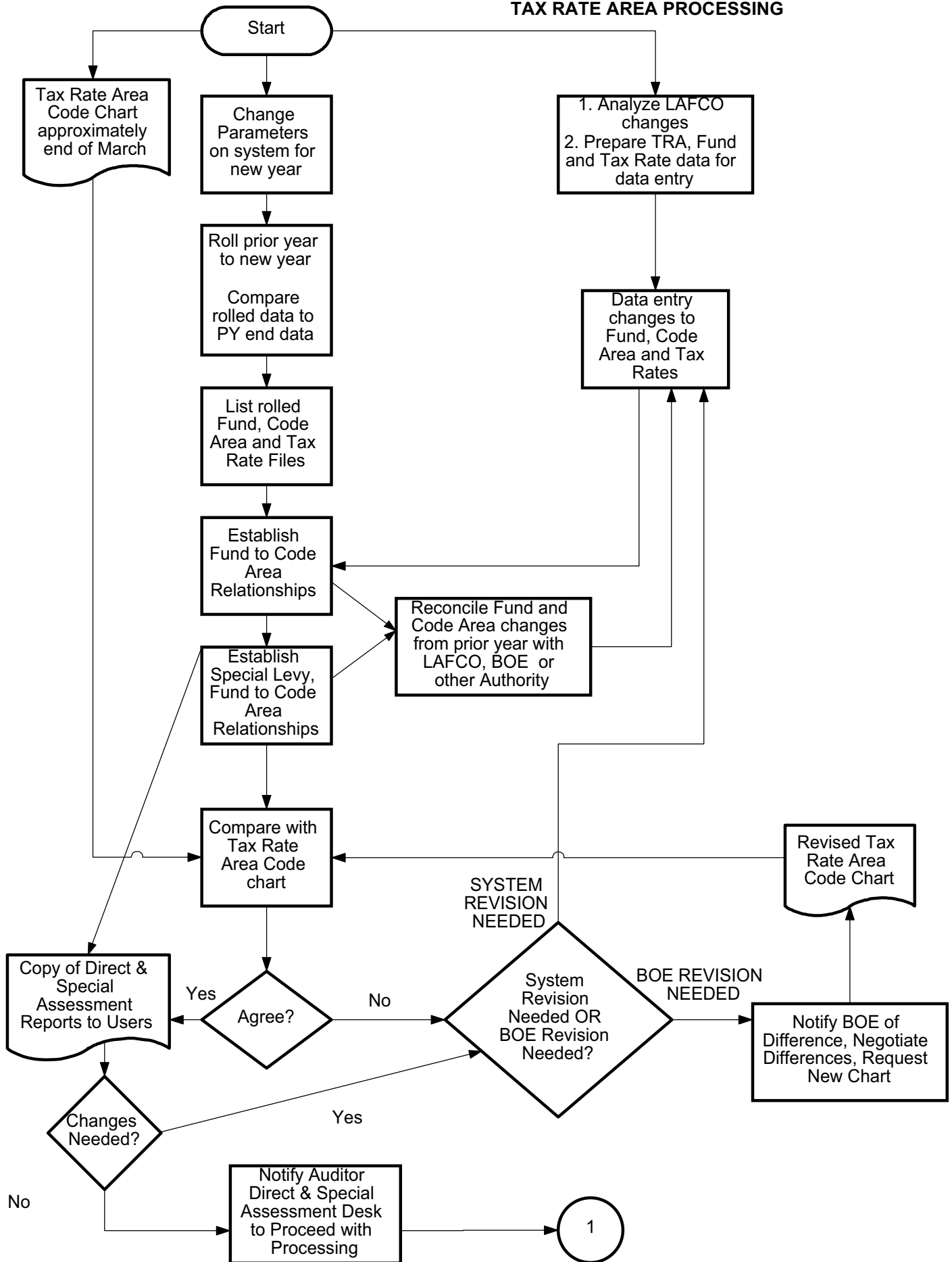
SUPPLEMENTAL TAXES



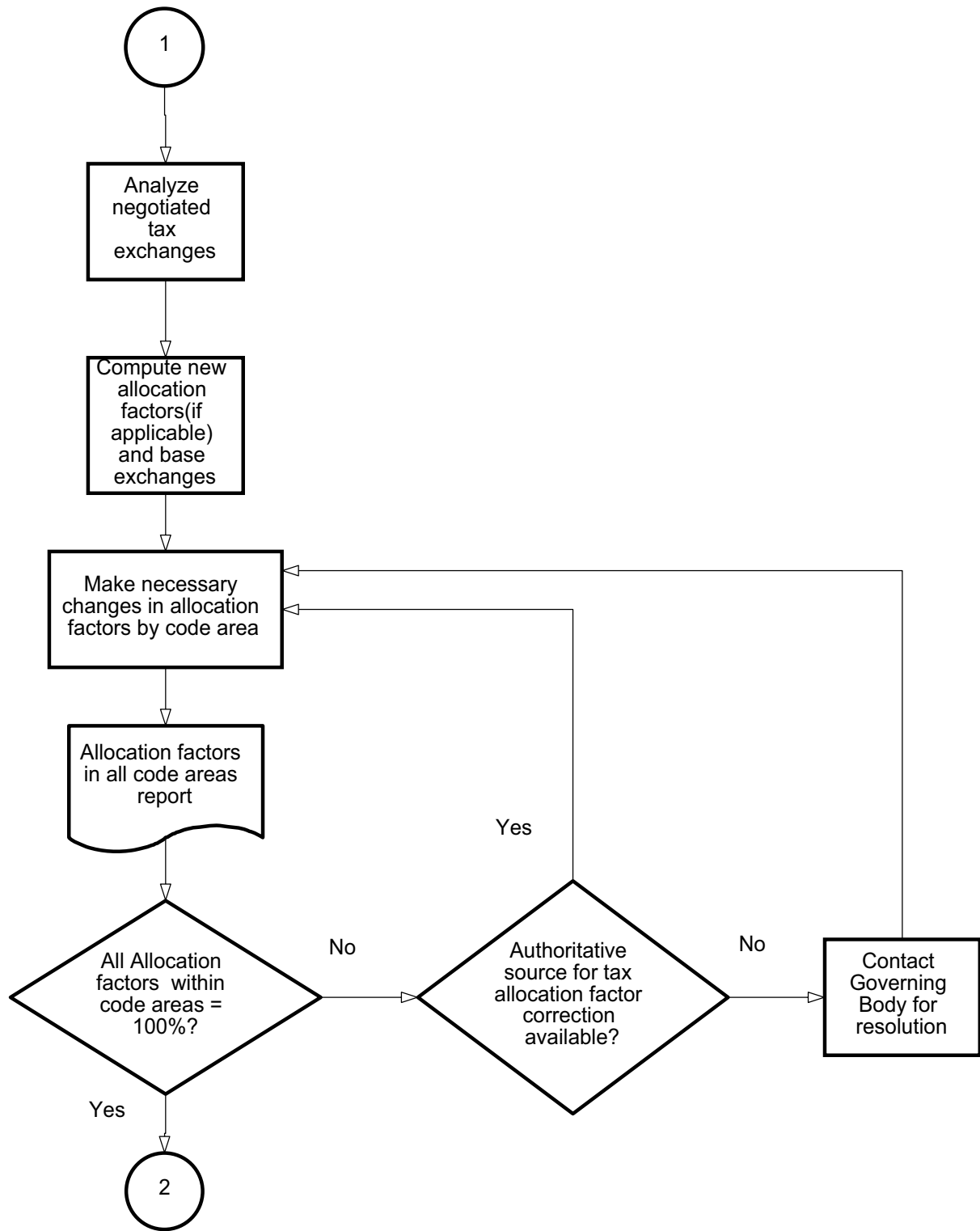
PROPERTY TAX PROCESS DETAIL FLOW CHARTS

**Note that the suggested procedures in the Detail Flow Charts
may differ in each county**

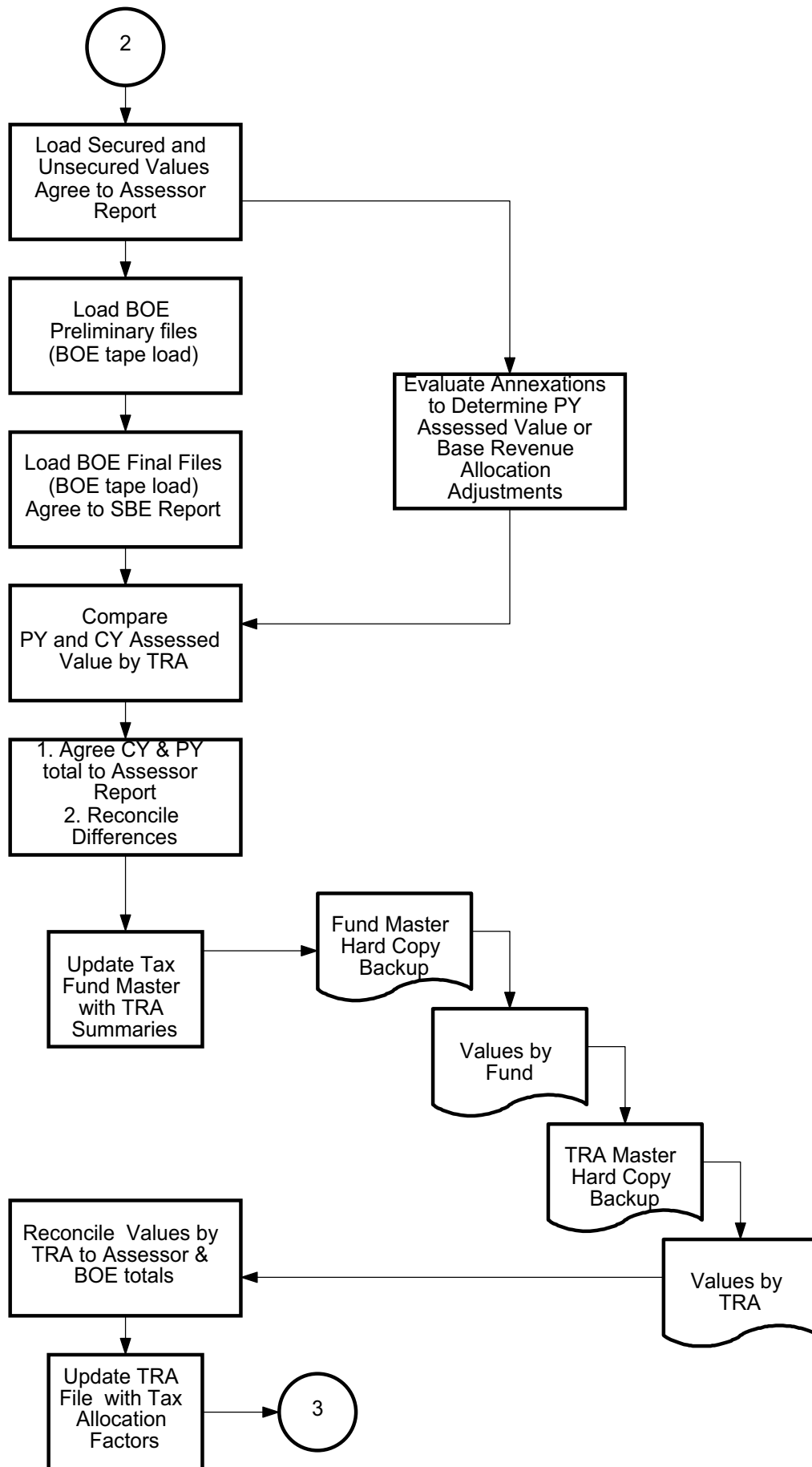
AUDITOR AB 8 PROCESSING TAX RATE AREA PROCESSING



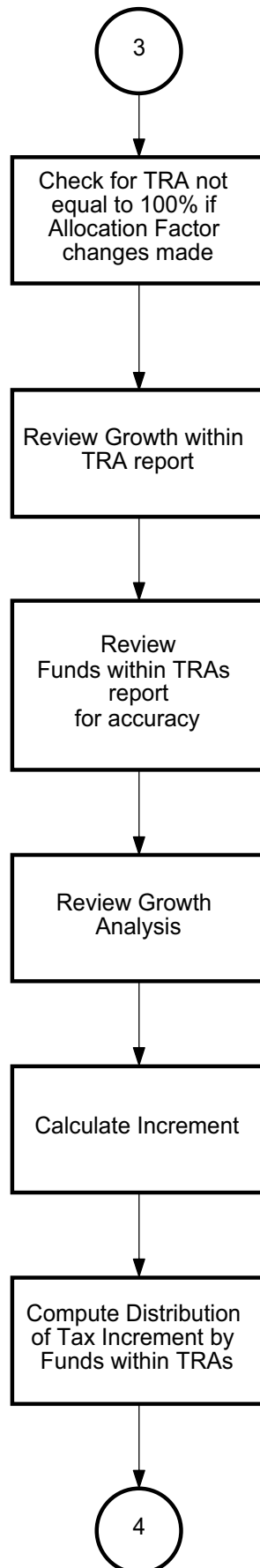
**AUDITOR AB 8 PROCESSING
ALLOCATION FACTOR PROCESSING**



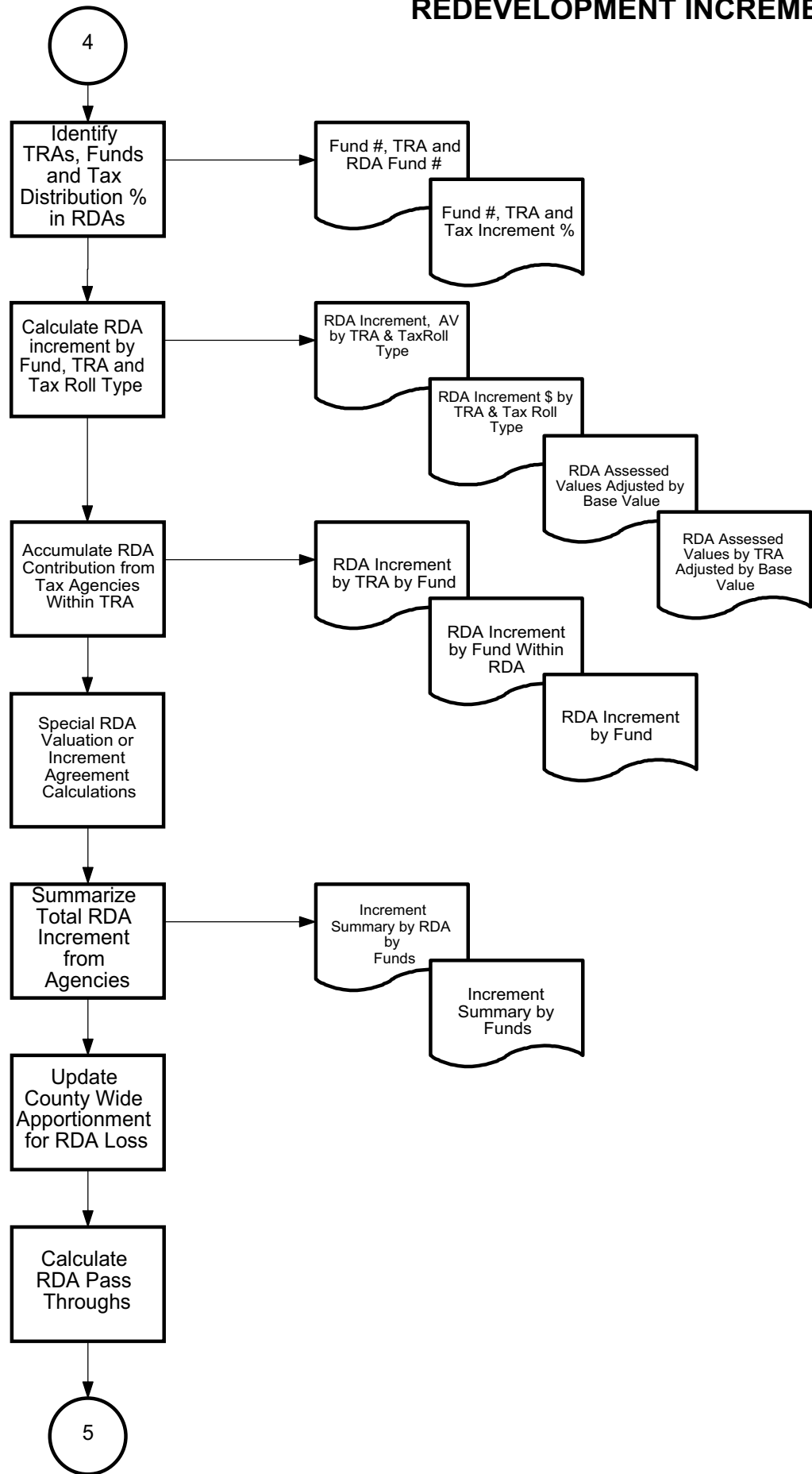
**AUDITOR AB 8 PROCESSING
LOAD ASSESSED VALUES PROCESSING**



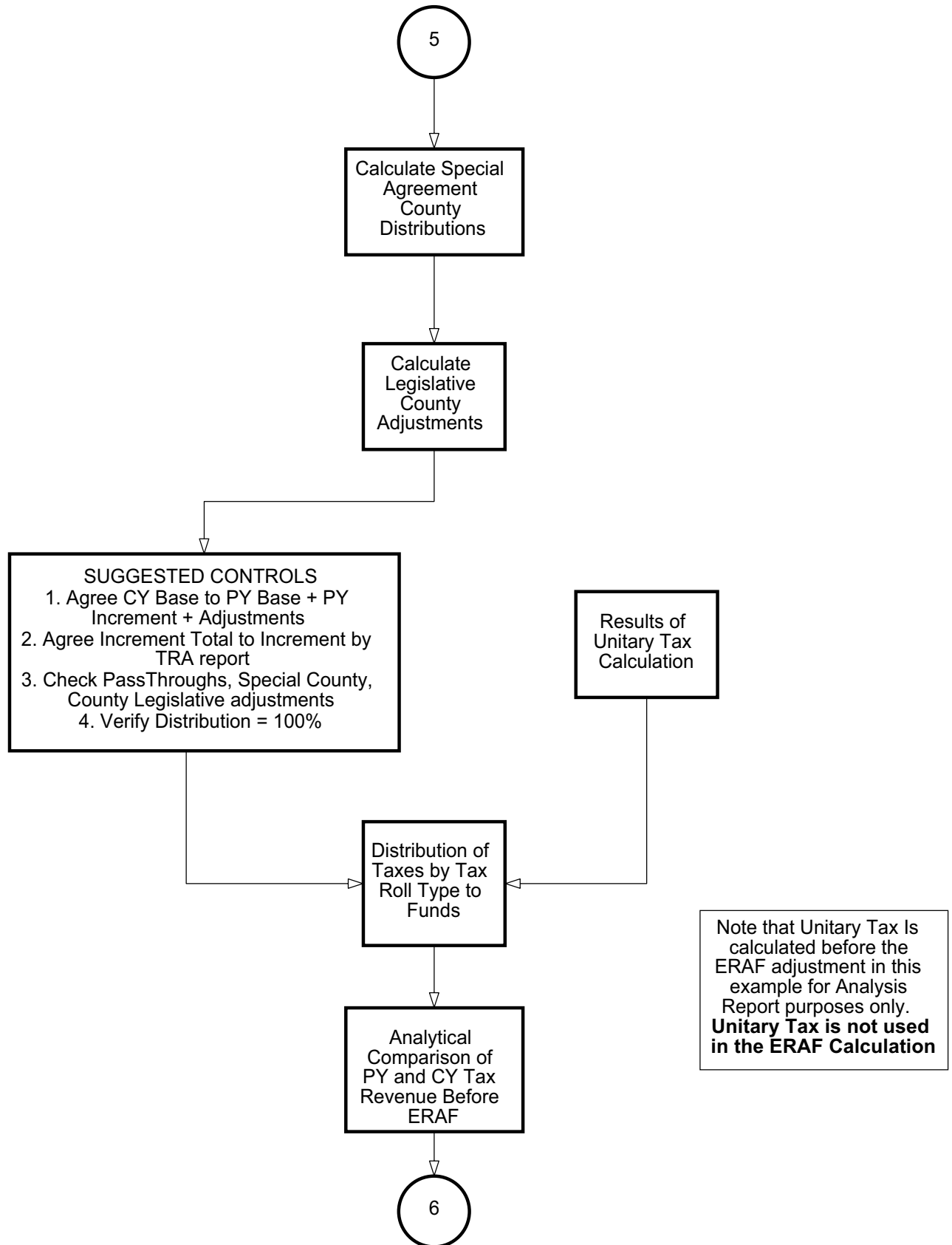
**AUDITOR AB 8 PROCESSING
UPDATE TAX RATE ALLOCATION FACTORS TO ALLOCATE INCREMENT**



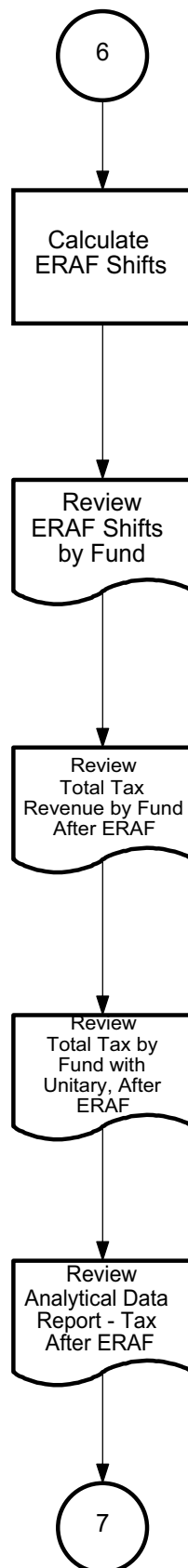
**AUDITOR AB 8 PROCESSING
REDEVELOPMENT INCREMENT**



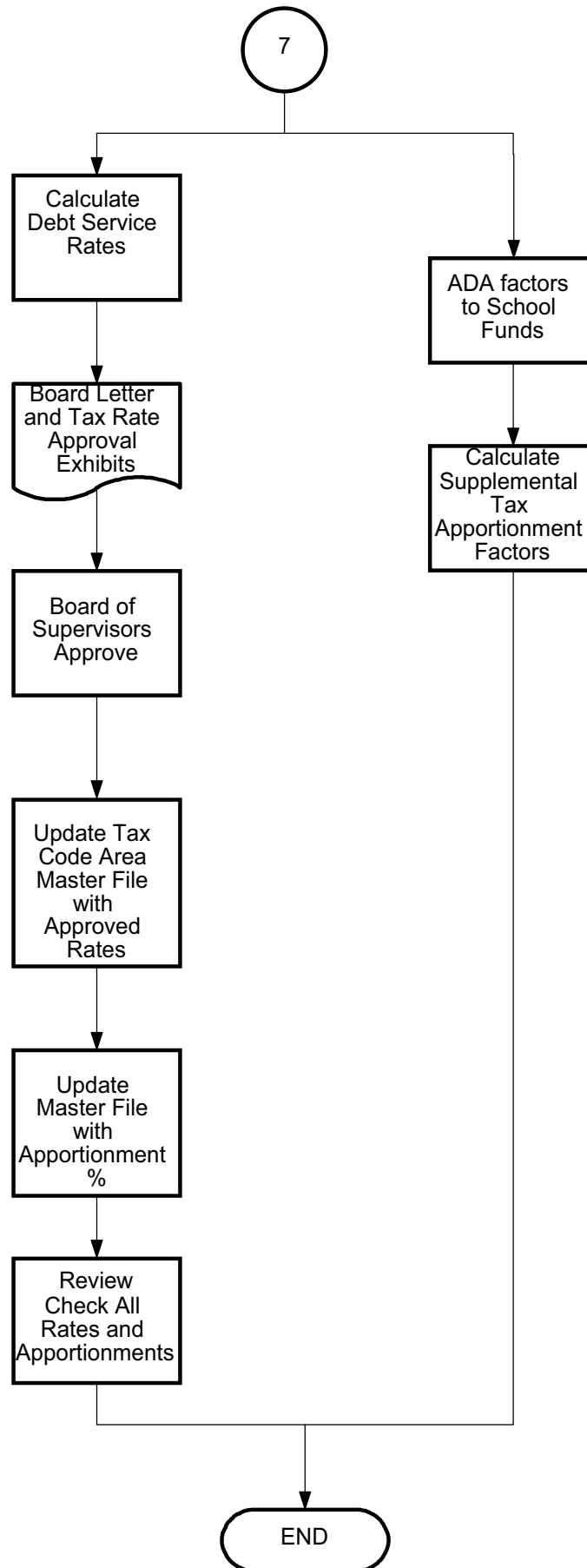
**AUDITOR TAX REVENUE PROCESSING
FUND ADJUSTMENTS, ALLOCATE INCREMENT & TAX
BEFORE ERAF**



AUDITOR TAX REVENUE PROCESSING ERAF AND TOTAL TAX REVENUE



AUDITOR TAX REVENUE PROCESSING UPDATE AND APPROVAL - END OF PROCESS



Tax Levy Process Section
Chapter B-1

DEBT SERVICE TAX RATES

INTRODUCTION

Debt service tax rates are levied to provide **taxing jurisdictions** with the necessary revenue to pay the annual principal and interest charges on (1) any indebtedness approved by the voters prior to July 1, 1978, or (2) any bonded indebtedness for the acquisition or **improvement of real property** approved on or after July 1, 1978, by two-thirds ($\frac{2}{3}$) of the voting public (Article XIII A, Section 1(b) of the California Constitution).

Pursuant to Government (Gov) Code §29100, the Board of Supervisors shall adopt, by resolution, the **tax rates** on or before October 3 of each year.

Pursuant to Gov Code §29100 and Revenue & Taxation (R&T) Code §2151, The Board of Supervisors shall fix the rates of county and district taxes and shall levy the state, county, and district taxes as provided by law.

MAIN TOPIC

Debt service tax rates can either be calculated by 1) a taxing jurisdiction (city, water **district**, etc.), 2) schools, or 3) the Auditor's office. When debt service tax rates are calculated, a resolution is submitted to the governing board for approval. The resolution will either indicate a tax rate to be applied and/or contain the dollar requirement to be used by the Auditor's office in calculating the rate. Exhibit 1 may be used by the Auditor to calculate the rate (Gov Code §§29040-29045).

Typically, debt service tax rates are not calculated until bonds are sold. However, a school district may require that the auditor calculate a debt service rate when it intends to issue bonds within the tax year. In this situation, the auditor calculates and levies a rate based on the estimated debt service requirements from the official action of the school district's governing board (Education (Ed) Code §15252). See Exhibit 2 for an example of a school district governing board's action needed to be sent to the Auditor's Office. Exhibit 3 shows an example of an accompanying school district resolution.

There are four basic types of voter approved rates levied by districts on various classifications of **assessed valuations**. The enabling legislation under which the district was formed determines the taxable property upon which a district may levy a tax rate. The types of rates are as follows:

1. General rates - this rate is levied on all taxable assessed valuations, both real and **personal property**, and is net of both state and local **exemptions**.
2. Land and Improvement rates - this type of rate is restricted to real property (i.e. land and improvement values) and is gross of all **exemptions**. Examples of districts utilizing these types of rates are water conservation, some maintenance districts, and some sanitation districts.
3. Land only - the tax rate is levied on taxable land values only, gross of any state or local exemptions.

4. Citrus pest control - a rate that is levied on citrus trees only and is based on the number of trees per acre established by the assessor.

METHODOLOGY

Assessed Valuations

Current year **secured** (including state assessed **utility**), **unsecured**, and **homeowner exemption (HOPT)** amounts should be used in most of the tax rate calculations. The secured and unsecured values should be net of:

- 1) The **RDA** increment for any debt approved prior to January 1, 1989
- 2) Allowance for delinquency or deflation
- 3) Anticipated changes to the **roll** including **unitary**
- 4) Disputed tax revenues anticipated to be impounded

Unsecured Levy

The previous year's secured rate should be used as the current year's unsecured rate(R&T Code §2905).

Balance to Be Raised

This amount is either provided by a taxing jurisdiction or determined by the Auditor's Office. Furthermore, the Board of Supervisors may adopt a rate for voter-approved indebtedness that will produce an amount determined as appropriate for necessary reserves (Ed Code §15250). The delinquency factors will vary from county to county. The calculation of this amount should include the following:

- Current year principal and interest

Add:

- Reserve requirements (i.e. general and/or cash flow reserves)
- Handling/service charges (paying agent fees, and/or administration fees allowed by Gov Code §29142)

Deduct:

- Fund balance
- Unsecured levy (equal to unsecured value times prior year secured tax rate)
- Unitary estimate
- Other revenue sources

Equals:

- Adjusted balance to be raised on the secured roll

There are three different methodologies regarding how debt service tax rates are calculated, levied and displayed on property tax bills by each county. Some counties mix and match these methodologies, particularly if they have inter-county taxing jurisdictions with debt service or the debt service tax rates calculated by other taxing jurisdictions rather than by the Auditor. Certain counties' property tax systems might be limited to use only one methodology. No one methodology is required by Code, and each methodology has its own pros and cons.

The examples below use the following set of data to illustrate the differences in the three methodologies:

Oz High School District passed the following general obligation bonds:

- *6/1/2004 - solely to build new Munchkin High School. Election has series 2004A, 2008A and refunding 2014A (refunded series 2004B).*
- *6/2/2009 - election to make major capital improvements at the other high schools in the district (Yellow Brick High School, Emerald City High School, and Poppy Fields High School). Election has series 2009A and 2012A.*

1. Bond Series Level – tax rates are calculated at and levied by each individual bond series.

Series 2004 A	.002100
Series 2008 A	.003040
Refunding Series 2014 A	.001530
Series 2009 A	.007210
Series 2012 A	.008770

2. Voter Approved Election Level – tax rates are calculated after the series for each election has been summed and levied by each election.

Election 06/01/2004	.006670
Election 06/02/2009	.015980

3. Taxing jurisdiction level – tax rates are calculated after all series from each election within each taxing jurisdiction has been summed and levied.

Oz High School	.022650

Disposition of Surplus Funds at Maturity

Subsequent to the payment in full of the principal and interest of all outstanding bonds, any remaining balance of collections from debt service levies needs to be distributed to finalize the issue. Unfortunately, the codes that provide for the authority to issue and levy for bonded indebtedness are not uniform for all types of issues. Many of the governing codes allow for the transfer to the general fund of the issuing entity, any remaining balance in the bond fund (Ed Code §15234, Water Code §52193, or Gov Code §54425). In contrast, Gov Code §978.2 provides that ad valorem taxes or assessments levied shall be used for no purpose other than the payment of such bonds and interest thereon. Always refer to the governing code of the issue and the individual bond documents for guidance.

RELATED TOPICS

Bond Administration
Redevelopment
Mobile Homes
Unitary
Property Tax Extension
Tax Levy
Tax Apportionments (Unsecured Aircraft)

TAXES TO FINANCE BOND REQUIREMENTS FOR CURRENT FISCAL YEAR CALCULATION WORKSHEET

DISTRICT: CITY OF EMERALD

CURRENT YEAR REQUIREMENT

Principal & Interest	116,276.00
Add: Reserve Requirements	6,200.00
Other Expenses	159.00
Less: Fund balance available	(4,876.00)
BALANCE TO BE RAISED	117,759.00
(Agency provides this information)	

UNSECURED ROLL

CY UNSECURED NET VALUE	62,711,546
DELINQUENCY ALLOWANCE	X <u>92%</u>
ADJUSTED NET VALUE	57,694,622
ADD: HOMEOWNERS EXEMPTION	331,100
LESS: REDEVELOPMENT AGENCY A/V ATI	(1,865,463)
TOTAL UNSECURED VALUE	<u>56,160,259</u>

REVENUE ESTIMATES

@ 0.0121 = **UNSECURED ROLL 6,795.39**
(Previous Year's Secured Rate)

SECURED ROLL

CY SECURED NET VALUE	861,892,279
DEFLATION OR DELINQUENCY ALLOWANCE	X <u>92%</u>
ADJUSTED NET VALUE	792,940,897
ADD: HOMEOWNERS EXEMPTION	35,777,426 (100 %)
LESS: REDEVELOPMENT AGENCY A/V ATI	(23,879,546)
TOTAL SECURED VALUE	<u>804,838,777</u>

UNITARY ESTIMATE 6,398.96
(May use previous year's actual)

@ *** **0.012992** = **SECURED ROLL 104,564.65**
FORMULA BELOW

TOTAL ESTIMATED REVENUE 117,759.01

AGENCY ESTABLISHED RATE

** $[(117,759 - 6,795.39 - 6,398.96) / 804,838,777] \times 100 = 0.012992$ (.0130 rounded)

[Letterhead of School District]

_____ 20__

Auditor Controller
County of Oz
49 Yellow Brick Rd.
Emerald City, CA 99999

RE: Request to Levy Tax Rate in 2010-11 for Flying Monkey High School District School
Facilities Improvement District No. 1 - Based on Estimated Debt Service Schedule

Dear Auditor:

The Flying Monkey High School District, School Facilities Improvement District No. 1, intends to issue the first series of general obligation bonds (the "Series A Bonds") during fiscal year 2010-11. The bonds were approved by the Improvement District's voters on November __, 20__. The Series A Bonds will not be sold in time to permit the Auditor-Controller to include the actual debt service amounts in its calculation of the tax rates.

Pursuant to California Education Code Section 15252, the Flying Monkey High School District hereby requests the Oz County Board of Supervisors to levy an ad valorem property tax rate for fiscal year 2010-11, sufficient to pay the estimated debt service costs of the Improvement District Series A Bonds.

Enclosed is a copy of the Improvement District's schedule of estimated debt service costs for the Series A Bonds, as well as a copy of our Resolution. The bonds are expected to sell on _____, 20__. You will receive a final debt service schedule shortly thereafter.

If you have any questions, please do not hesitate to call me.

Sincerely,

Ape-ril Chimperoo
Deputy Superintendent/Chief Financial Officer

Enclosure

cc: Tax Manager, *County of Oz*
Bonding Attorney 1
Bonding Attorney 2

**Flying Monkey High School District
School Facilities Improvement District No. 1
Election of 20__ General Obligation Bonds
Estimated Series A Bonds Debt Service**

Due Dates	Estimated Series A Bonds Debt Service Payments
Interest due on Sept 1, 2010	\$552,605.00
Principal due on Sept 1, 2010	0.00
Interest due on Mar 1, 2011	\$553,000.00
Interest due on Sept 1, 2011	\$553,000.00
Principal due on Sept 1, 2011	\$690,000.00
Total Estimated Requirements	\$1,851,260.00

RESOLUTION NO. _____

RESOLUTION REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF OZ TO ESTABLISH TAX RATE FOR BONDS OF THE FLYING MONKEY HIGH SCHOOL DISTRICT EXPECTED TO BE SOLD DURING FISCAL YEAR 20__-__, AND AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH.

WHEREAS, this Board of Trustees (the "Board") of the Flying Monkey High School District (the "District"), located in Oz County (the "County"), California, is authorized to, and intends to, issue a 20__ series of its bonds for purposes authorized by the voters of the District on November __, 20__; and

WHEREAS, the Board of Supervisors of the County is required to take action approving a tax rate for payment of indebtedness of the District during Fiscal Year 2010-11, and it is the responsibility of the Auditor-Controller of the County to calculate the several tax rates for the Board of Supervisors' action thereon; and

WHEREAS, this Board has determined that it is not possible or advisable to sell the District's bonds in time to permit the Auditor-Controller, or other appropriate County official, of the County to calculate the tax rates necessary to pay debt service on such bonds in order that such tax rates may be reflected on 2010-11 property tax bills of taxpayers in the District; and

WHEREAS, the Education Code of the State of California provides that the Board of Supervisors of each county shall annually, at the time of making the levy of taxes for county purposes, estimate the amount of money required to meet the payment of the principal and interest on the bonds authorized by the electors of the District and not sold, and which the Board of Trustees of the District informs the Board of Supervisors in their belief will be sold before the next tax levy, and further provides that said Board of Supervisors shall levy a tax sufficient to pay the principal and interest so estimated; and

WHEREAS, this Board deems it necessary and desirable to issue a series of the District's bonds during Fiscal Year 2010-11, as authorized by the Education Code, and that the County levy a tax for payment on debt service estimated to come due on such bonds during Fiscal Year 2010-11, and believes that said bonds will be sold during said Fiscal Year;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE FLYING MONKEY HIGH SCHOOL DISTRICT:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Estimate of Tax Levy. The Superintendent or the Deputy Superintendent, Business Services of the District or such other officer of the District as either authorized officer may designate (each, an "Authorized District Representative"), are hereby authorized and directed to prepare an estimate of all payments of principal and interest which shall become due on a series of bonds of the District expected to be sold prior to the making of the tax levy for Fiscal Year 2010-11, and to cause the debt service schedule so prepared to be provided to the Board of Supervisors of the

County and to the officers of the County responsible for preparing the tax levy for bonds of the District and for levying said tax. The District estimates that the sale of its first series of bonds shall be in an estimated amount of \$__ million, an amount within the District's authorized but unissued bond allowance, and shall be issued on or about _____, 20__.

Section 3. Request to County to Levy Tax. The Board of Supervisors of the County is hereby requested, in accordance with Education Code Section 15252-15254, to adopt a tax rate for bonds of the District expected to be sold during Fiscal Year 2010-11, based upon the estimated debt service schedule prepared by officers of the District, and to levy a tax in Fiscal Year 2010-11 on all taxable property in the District sufficient to pay said estimated debt service. The proceeds of such tax shall be deposited into the debt service fund of the District established pursuant to the Education Code for bonds of the District.

Section 4. Application of Tax Proceeds. In the event that bonds of the District are not sold during Fiscal Year 2010-11, or sold in such amount and on such terms that the proceeds of the tax requested in Section 3 hereof, or any portion thereof, are not required for payment of debt service due on the bonds, or payment of other outstanding bonds of the District payable from the debt service fund of the District, this Board hereby requests that the Auditor-Controller, or other appropriate official of the County cause the remaining proceeds of the tax to be held in the debt service fund and applied to debt service on outstanding bonds of the District coming due in Fiscal Year 2010-11.

Section 5. Filing of Resolution. The Secretary of this Board is hereby authorized and directed to file forthwith a certified copy of this Resolution with the Clerk of the Board of Supervisors of the County, and to cause copies of this Resolution to be delivered to the Auditor-Controller and the Treasurer-Tax Collector of the County.

Section 6. Further Authorization. The President of this Board, the Secretary of this Board, or any Authorized District Representative, shall be and they are hereby authorized and directed to take such additional actions consistent with the intent of this Resolution in connection with the sale of bonds of the District, which any of them deem necessary and desirable to accomplish the purpose hereof.

Section 7. Effective Date. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED this ____ day of _____, 20__, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

President of the Board of Trustees of the
Flying Monkey High School District

Attest:

Secretary of the Board of Trustees of the
Flying Monkey High School District

SECRETARY'S CERTIFICATE

STATE OF CALIFORNIA)
) ss
OZ COUNTY)

I, _____, do hereby certify that the foregoing is a true and correct copy of Resolution No. _____, which was duly adopted by the Board of Trustees of the Flying Monkey High School District at a meeting thereof, held on the ____ day of _____, 20__, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

By _____
Secretary

Tax Levy Process Section Chapter B-2

DIRECT CHARGES

INTRODUCTION

A **direct charge** is a non-*ad valorem* amount levied on a per *parcel* basis encompassing numerous types of items such as annual charges for services, improvement district charges, **community facilities district (CFD) (Mello-Roos District)**, special taxes, and fees.

Direct charges are usually levied by **taxing jurisdictions** such as **special districts**. Many direct charges provide a benefit directly to a property such as garbage collection, sewer, lights and landscaping maintenance, and mosquito abatement. Direct charges take many forms and are authorized to exist under various state codes such as Streets and Highways, Government, Health and Safety, Water, Public Utilities, and others. Certain direct charges may be authorized to be bonded.

Many direct charges may be placed on the **current roll**, at the discretion of the taxing jurisdiction. Some direct charges have certain conditions in which they may (or may not) be placed on the **secured** roll, or are allowed only on the **unsecured** roll.

Non-public agencies don't have authority under statute to use the public secured rolls and unsecured rolls for collection. This would include the following scenarios:

1. Homeowner's Association (HOA) (private not-for-profit organization on file with the State Secretary) who wants to collect their HOA dues (whether current or delinquent). Please note that HOAs may exist in the same geographical territory as local public agencies such as a Community Service District (CSD).
2. A group of neighbors on a private road with a handshake/written agreement to maintain a private road where a **taxpayer** isn't paying an agreed amount.
3. A painting contractor who wasn't paid by the taxpayer for services rendered (even if the contractor files a Mechanics' Lien with the Recorder).

However, a private garbage company can, in certain cases, work through a city or county to enforce collection on garbage fees. The thought process behind this is related to uncollected garbage being a public nuisance & public health hazard.

MAIN TOPIC

Taxing jurisdictions favor using the current rolls to collect their direct charges because it is inexpensive, transparent, efficient, and effective. Normally, the taxing jurisdiction is the "administrator" of the direct charge (versus the auditor). Frequently, taxing jurisdictions hire private companies to professionally administer the direct charge including preparing the **levy** for the upcoming current roll.

Documentation Process

When a taxing jurisdiction elects to have the county bill to collect its direct charges on the current roll, a contractual agreement may be created to include any or all of the following: authorization for the county to provide billing, collection, correction services, specific data deadlines, county billing charge, distribution methods, and timing.

The process of placing the direct charge on the current roll typically includes a taxing jurisdiction providing the county auditor with a resolution/ordinance and documentation to support the levy of the direct charge on property tax bills. The auditor requires documentation to be presented to support the following four key criteria:

1. State Law provides for the direct charge's authorization to exist. Various State Codes allow for the creation of specific direct charge levies. This authorization is without regard to what types of districts may execute the direct charge or the manner of collection.
2. The district is empowered to execute the direct charge levy. Various State Codes authorize specific types of districts to use certain types of direct charges. Not all districts are authorized to use every type of direct charge (e.g. only K-12 school districts may execute a Qualified Special Tax pursuant to Government (Gov) Code §50079)(see also Proposition 62). The nature of the direct charge dictates the type of documents/processes used to authorize the execution of the enabling legislation. Depending on the applicable State Code, these documents may be static OR may need to be reestablished for each year.
3. The direct charge is authorized to appear on the tax roll. Typically, the authorization for a district to make use of the tax roll is explicitly provided for in the applicable State Code. Usually, the district's documents used to execute the enabling legislation to create the direct charge levy in criteria #1 and #2 above will also reference the State Code authorizing the direct charge levy to appear on the tax roll.
4. The district directs the auditor to place the direct charge levies on the applicable tax roll. Typically, this would be done via ordinance or resolution.

The taxing jurisdiction provides the **Parcel Number (APN)** and corresponding levy amount. The county auditor then performs a ministerial duty to place the authorized direct charge levy on the appropriate property tax bills.

In the initial year of a **1915 Act Bond** assessment, including the subtype called **Property Assessed Clean Energy (PACE) bonds**, the auditor should receive certain documentation in addition to the normal requirements for a direct charge (this may vary by county):

- Resolution authorizing the sale of the bond, if bonded
- An **amortization schedule**
- Engineer's report

Proposition 218, which added Article 13C and D to the California Constitution, passed in the November 1996 general election, acts as an umbrella set of additional requirements to the previously existing requirements of many non-voter approved direct charges. Proposition 218 changed the way certain types of direct charges new or increased **assessments** must be authorized:

1. Proposition 218 requires a vote of affected property owners to implement a new or increased assessment on **real property** for a project or service. Such an assessment must provide a special benefit to the assessed property. In order to determine the property's share of special benefit due to the project or service, a registered engineer's calculation and report must be sent to each affected property owner (that portion of benefit applying to the public in general may not be assessed to a parcel). The engineer's report describes the purpose of the assessment, other pertinent information, and the amount of the proposed assessment to be charged to the taxpayer. Once the engineer's report is sent to each property owner, the landowners are asked to vote on the imposition of the assessment.
2. Voting is weighted by the amount of the assessment. The ballots are tabulated at a public hearing prior to the approval of the charge and are considered a public document. If a majority of the ballots received are opposed to the assessment, it cannot be imposed; otherwise, the taxing jurisdiction may proceed to approve the assessment.
3. Proposition 218 does not provide the traditional exemption to the assessment for tax-exempt entities such as public schools and governmental agencies. The levying taxing jurisdiction is required to calculate the benefit (share of assessment) to a tax-exempt entity. This calculated amount is not required to be billed to the tax-exempt entity, but it may not be passed along to others in the assessment district either. If billing is done, mechanisms other than the tax bill may be used for billing these assessments (i.e. direct invoicing by taxing jurisdiction).

In order to insure that each taxing jurisdiction is charging in compliance with Proposition 218, many counties require a contract, resolution, or document from the taxing jurisdiction stating either that the taxing jurisdiction is responsible for the assessment or the taxing jurisdiction is in compliance with Proposition 218. Note that while Improvement Act of 1915 bonds are subject to Proposition 218, the sub-type called Property Assessed Clean Energy (PACE) bonds are specifically excluded from Proposition 218 requirements (Streets and Highways (S&H) Code §5898.31).

Deadlines

Deadlines exist within various State Laws for the taxing jurisdiction to deliver the direct charges to the auditor. The most common statutory deadline is August 10 of each year (Gov Code §26911, Health and Safety (H&S) Code §5474.4 & §101330). Other direct charges allow districts to submit direct charges no later than August 21st or the 3rd week in August (Gov Code §53340(b) and §50069, Water Code §8-30.21 [Drainage District Act of 1903], and S&H Code §22640). Certain deadlines may be extended at the discretion of the auditor.

Direct Charges Suggested Timetable

<u>Timeframe</u>	<u>Description</u>
April	Communicate with taxing entities regarding schedules, fees, and parcel information.
July	Districts submit direct charges to be billed. Districts are notified of parcels rejected (e.g. invalid, voided and nontaxable parcels).
August 10	Resolutions authorizing billing, parcels to be charged and amounts to be billed have been received by the Auditor. (Exception: By August 21 st or the 3rd Monday in August for specific direct charges.)
After August 10	Corrections may be allowed after this date until creation of bills.
By 4 th Monday in September or October 16	Turn tax bills over to the Tax Collector. Subsequent changes to direct charges are handled as tax bill corrections (Revenue and). Taxation (R&T) Code §2601.

Addition to Current Roll(s)

Direct charges are added to the current roll upon authorization by the taxing jurisdiction to facilitate billing and collection of the direct charges. Direct charges are typically itemized on the bill. Once the direct charge is added to the current roll, it generally:

1. Becomes part of the tax **lien** (R&T Code §2802(c)).
2. Follows the same “rules” as **ad valorem taxes** (R&T Code §4801, §4651, §4653, §2152.5, etc.).
3. May not be paid separately from the remainder of the property tax bill.
4. Prohibits the taxpayer from having authority to remove the item from the tax bill.

However, there are exceptions to the general rules above that include, but aren’t limited to:

1. Taxing jurisdictions may authorize items to be removed/changed/added when an error has been discovered (R&T Code §4831 and §4834). See Chapter C7.
2. Taxing jurisdictions may remove unpaid Mello-Roos and 1915 bond installments when a duly recorded “Notice of Intent to Remove Delinquent Special Tax Installment from the Tax Roll” is received by the Auditor. This allows the taxing jurisdiction to proceed with judicial foreclosure as may be required by the bond covenants to protect the bondholders. Under a judicial foreclosure, the taxpayer must make a decision to either pay the delinquent/defaulted bond or lose the property in court. Commonly, property acquired via judicial foreclosure is immediately re-sold on the courthouse steps to the highest bidder. Also see Chapter B9.

3. Taxpayer requests a non-value segregation of a tax bill in order to pay a direct charge without paying the remainder of the tax bill (R&T Code §2801-§2811, Gov Code §53356.2 and S&H Code §8766.5 and §8688, H&S Code §5473.9, etc.).
4. Taxpayer requests an **assessed value** segregation/**separation** (R&T Code §2821, et seq.) causing the tax liability to be split into one or more bills. See Chapter C7 Part 7.
5. Public acquisition processing (R&T Code §4801, §5081, et seq.) where the Auditor cancels and transfers amounts to the unsecured roll for collection (via a proration) qualifying direct charges. Also see Chapter C7 Part 13.

Typically, a property secures the payment of direct charges because the property may be sold by the county tax collector after five years if taxes (including direct charges) are unpaid (Gov Code §53930, et seq., R&T Code §2802). Generally the **tax sale** extinguishes the secured tax lien on billed amounts of direct charges, even if the tax sale is for a deficit amount (R&T Code §3712), with certain exceptions such as Mello-Roos, special taxes, 1915 Bonds, and direct charges billed on the unsecured current roll (R&T Code §2188.1).

Typically, direct charges are placed on the secured roll. However, certain items may not qualify for inclusion on the secured current roll. In other situations, items may not qualify for placement even on the unsecured current roll. These include, but aren't limited to:

1. Not all direct charges are authorized by state statute to be placed on the current roll, but by the time this step is reached, the authorization to place on the current roll should have already finished vetting. An example would include non-bonded Municipal Improvement Act of 1913 assessments (S&H Code §10406).
2. Certain direct charges on classes of unsecured property that are billed on the unsecured current roll. An example would include Fire Suppression Assessments levied on leasehold properties, business and mobile homes. Some direct charges are unsecured but billed on the secured current roll (e.g. mobile homes) and if unpaid at the end of the tax year, are moved to the unsecured delinquent roll. Others are never billed on the secured current roll. Please refer to your county's policies and agreements for the timeframe the districts have to submit the charges to be included on the unsecured current roll.
3. For the first year of a Benefit Assessment District Act of 1982 assessment, if the property has been transferred or conveyed to a bona fide purchaser for value, or if a lien of a bona fide encumbrancer for value has been created and attaches thereon, prior to the date on which the first installment of county taxes would become delinquent, the confirmed assessment shall not result in a lien against the real property but shall be transferred to the unsecured current roll.
4. Certain delinquent fees/charges for services (such as delinquent water bills), may not be placed on the secured and/or unsecured current rolls when the property is sold or encumbered within specified timeframes. "Sold" is defined here as "transferred or conveyed to a bona fide purchaser for value", while "encumbered" is defined here as "subject to a bona fide encumbrance for value". The following table provides a list of the qualifications for such an occurrence of delinquent charges (not an inclusive list):

Type	Code	Sold ¹	Encumbered ¹	Resulting Action
Garbage	Gov §25831	Prior to Dec 10	Prior to Dec 10	May go unsecured
Sewer	H&S §5473.8	Prior to Dec 10	Prior to Dec 10	May go unsecured
Weed Abatement	H&S §13879 & §14912	Prior to Dec 10	Prior to Dec 10	May go unsecured
Water & Other Services	WC §37212	WC37212 is Prior to Dec 10	WC37212 is Prior to Dec 10	May go unsecured
Type	Code	Sold ¹	Encumbered ¹	Resulting Action
Sewer & Water	PUC §16469	Year preceding the date on which the 1 st installment of real property taxes which evidence the charges appears on the roll ²	Year preceding the date on which the 1 st installment of real property taxes which evidence the charges appears on the roll ²	District place lien May <u>not</u> be placed on the secured or the unsecured current roll
Sewer & Water	WC §25806	Year preceding the date on which the 1 st installment of real property taxes which evidence the charges appears on the roll ²	Year preceding the date on which the 1 st installment of real property taxes which evidence the charges appears on the roll ²	District place lien May <u>not</u> be placed on the secured or the unsecured current roll
Water	WC §37212	Prior to Dec 10	Prior to Dec 10	May go unsecured
BAD Act of 1982	Gov §54718	Prior to Dec 10 <i>BUT, only for the 1st year of assessment</i>	Prior to Dec 10 <i>BUT, only for the 1st year of assessment</i>	May go unsecured
Others	Various	See respective Code	See respective Code	See respective Code
¹ Definition of "Sold" and "Encumbered" as noted in this chapter immediately above this table. ² Since the "year preceding" is not specifically defined in statute, then the definition of the "year preceding" defaults to the common usage which is the "calendar year".				

Collections and Distribution

Direct charges are collected with the other items on the tax bill on the current roll, **redemption roll**, and/or **delinquent roll**. The tax collector will settle his/her accounts with the auditor by the tenth of each month (Gov Code §27061) or by a date set by the auditor (R&T Code §§ 2616 and 4108).

The auditor will distribute the collections to the various taxing jurisdictions based on R&T Code Part 8, commencing with §4651. Direct charges are eligible for distribution on the **Teeter** plan if authorized by the board of supervisors (R&T Code §4702.5).

Although the money for each direct charge is collected as a whole with the rest of the tax bill, the accounting process ensures that the accounts receivable (due from taxpayers) and accounts payable (due to taxing jurisdictions) are not commingled.

It should be noted that while 1915 Act Bond assessments and Mello-Roos District special taxes may be collected on the redemption roll, they are not eligible for inclusion in a ***Permanent Installment Plan*** if the local agency has a foreclosure covenant on behalf of the bondholder pursuant to S&H Code §8830 and Gov Code §53356.1(b), respectively. (R&T Code §4186).

Reimbursement

Counties may be reimbursed for the cost of billing and collecting direct charges by adding a per parcel charge to each parcel (Gov Code §29304) or by deducting reasonable costs incurred for the service before remittal of the balance to the taxing jurisdiction (e.g. Gov Code §50077(b), §53340(g), etc.).

ADDITIONAL CONSIDERATIONS

Assembly Bill X1-29, signed in July 2011, established a fire protection and prevention fee in state responsibility areas. These fees are assessed and collected by the ***State Board of Equalization (BOE)***. The county auditor has no authority to place this item on the current roll (Public Resources Code §4210 et seq.).

Gov Code §12463.2, added by Assembly Bill 2109, signed in September 2014, requires that information on locally assessed parcel taxes be included in the annual financial transaction reports published pursuant to Gov Code §12463(b). Gov Code §12463.2(c) defines a parcel tax as being locally assessed and collected via the annual property tax bill. Since the fire protection and prevention fees are assessed and collected by the BOE, they would not be included in these reports.

Gov Code §50078 permits a local agency that provides fire suppression services directly or by contract with the state to levy an assessment for those services. Assessments under this section were initially subject to Gov Code §12463.2 reporting due to the Concerned Citizens for Responsible Government v. West Point Fire District 196 Cal. App. 4th 1427 (2011) case which concluded that these assessments were parcel taxes. This case has since been de-published and cannot be cited, thus assessments under this section would also not be reported under Gov Code §12463.2.

RELATED TOPICS

Tax Levy

Roll Changes (Segregations)

Bond Administration (also need to change related topics in Chapters B1 and C7 and Table of Contents)

Tax Levy Process Section
Chapter B-3

JURISDICTIONAL ASSESSED VALUES

INTRODUCTION

A **taxing jurisdiction** is a **district** that has been approved by the **State Board of Equalization (BOE)** to levy or assess taxes. All taxing jurisdictions provide a service to a specific geographical area. Taxing jurisdictions that provide the same service should not be within the same geographical area. This is controlled by the assignment of a **tax rate area (TRA)** to each **parcel**. The jurisdiction's assessed value is the sum of all the tax rate area valuation in which the jurisdiction resides.

Examples of these jurisdictions include, but are not limited to, schools, fire protection districts, maintenance districts, and cities. In addition to the county general fund and the county superintendent of schools, other districts may be considered countywide and would be in all TRAs.

MAIN TOPIC

The BOE, assessor or surveyor maintains districts' boundaries. Every year the BOE provides to each county the **code area chart** (formally "the **blue line**") which outlines what specific taxing jurisdictions are within each TRA. The BOE code area chart is verified by the Auditor-Controller's office against the county's **tax structure** to make sure that both are in agreement and that all taxing jurisdictions are placed in the correct TRAs.

METHODOLOGY

A taxing jurisdiction's total **valuation** is determined by adding all the TRA valuations in which it provides service. Each parcel is assigned a TRA and a value on which the **ad valorem** tax is calculated. All assessed valuations of the parcels within the same TRA are totaled. The sum of all TRAs are then totaled to make sure they equal the countywide assessed valuation total.

Each TRA has its own unique combination of taxing jurisdictions. All TRAs are analyzed to insure there is no duplication of service. For example, only one fire district or cemetery district may exist in any one TRA. The county's tax structure is also verified that it matches the BOE code area chart.

In order for a taxing jurisdiction to estimate their annual property tax revenue and levy a bond rate (if applicable), it is necessary for them to know the total assessed valuation within their boundaries. The auditor or assessor's office provides this information.

RELATED TOPICS

Assessment Rolls
Property Tax Extension
AB8
Redevelopment
Jurisdictional Changes
Debt Service Rate

Tax Levy Process Section Chapter B-4

ASSESSMENT ROLLS

INTRODUCTION

The assessment roll consists of various types of **valuations** that are either assessed by the county **Assessor** or the **State Board of Equalization (BOE)**.

Legal requirements for the assessment roll are found in various sections of Article XIII of the California Constitution and numerous sections of the Revenue and Taxation (R&T) Code such as §§1612, 1614, 1646, 2152, and 2601.

This chapter will describe the following rolls: **601 Roll (AKA local roll)**, local **secured** roll, **unsecured** roll, **certified roll**, **state board roll**, **equalized roll**, and **supplemental roll**.

Main Topic

The 601 roll is the assessment roll, prepared by the Assessor, which lists all property within the county, which is the Assessor's duty to assess. The name 601 roll comes from R&T Code §601, which directs the Assessor to prepare the roll. It is also known as the local roll.

Pursuant to R&T Code §602, the local roll is required to list the following information for each property by **parcel number**:

- Name of **assessee**, if known, pursuant to R&T Code §405
- Address of assessee, if known
- Land, by legal description
- A description of possessory interests sufficient to identify them
- Assessed Valuation, to include:
 - o Personal property
 - o The assessed value of real estate, except improvements
 - o The assessed value of improvements on the real estate
 - o The assessed value of improvements assessed to any person other than the owner of the land
 - o The assessed value of possessory interests
 - o The assessed value of personal property, other than intangibles
- Exemptions
- The revenue districts as identified by the **Tax Rate Area (TRA)** in which each piece of property assessed is situated
- Any other things required by the board (BOE).

This roll is assessed by the county Assessor and includes both secured and unsecured property.

The local **secured** roll is a subset of the local roll. In the opinion of the Assessor, property value contained on the local secured roll is sufficient to create a secured **lien** to secure the payment of taxes (R&T Code §109). The valuations on the local secured roll are comprised of land, mineral rights, **improvements, personal property**, trade fixtures and all exemptions.

The **unsecured** roll is also a subset of the local roll. Its property valuations are comprised of improvements (i.e., business trade fixtures), business personal property, boats and aircraft. It may also include land and improvements that are identified as real estate of others, as defined by the Assessor. Property valuations contained on the unsecured roll are, in the opinion of the Assessor, insufficient to create a secured lien. Property on the unsecured roll constitutes an unsecured lien in the name of the assessee (R&T Code §134). Exemptions may be granted to certain unsecured property.

The Assessor is required to deliver the local secured and unsecured roll to the **Auditor** on or before July 1 (R&T Code §§616 and 617). The Assessor may apply for an extension, of up to 30 days (45 days in case of public calamity), with the BOE (R&T Code §155). When the Assessor signs the affidavit stating the valuations are true and correct, the local roll is commonly referred to as the **certified roll**. While the Assessor is preparing the local roll, the information isn't available to the general public. However, once the Assessor has certified the local roll, the roll is public information.

The BOE prepares the **utility roll** (AKA State roll), which is comprised of **unitary** and nonunitary (**operating nonunitary** and **nonoperating nonunitary**) values and is reported by TRA and assessee. Examples of nonunitary property are railroad property and property owned by a state assessed utility company that is not used in the operation of its business. When the BOE valuations are merged with the local secured valuations they are also referred to as the secured roll. The utility roll must be delivered to the Auditor by July 31 (R&T Code §§755 and 756). Additionally, the BOE annually reports certain information to the Assessor.

The **equalized roll** must be completed by August 20 (R&T Code §§2050-2055) unless the Auditor obtains an extension from the State Controller (R&T Code §155.3). The equalized roll is the sum of three items: the local roll, the utility roll, and any roll corrections made in the month of July by the County Assessment Appeals Board (AAB) (R&T Code §§2050-2055).

After the Assessor has delivered the local roll to the Auditor, the Assessor has no authority to make changes to the local roll that affect the equalized roll. Assessor roll corrections are a component of the corrected roll but not a component of the equalized roll (R&T Code §1646 et seq. and §2050 et seq.). Assessor roll corrections (as authorized by Part 9 of the R&T Code) processed after the delivery of the local roll may or may not be included in the assessed values at the time of the tax roll extension.

The **supplemental assessment roll** (R&T Code §75 et seq.) is the difference between the local secured (R&T Code §601) values and the **new base year values**. These values may or may not include exemptions. Unlike the local roll, the supplemental roll is a perpetual roll. Local exemptions are non-reimbursable exemptions authorized by various code provisions. Local exemptions reduce the total assessed value of secured or unsecured property resulting in **gross taxable value**. Examples of local exemptions include, but are not limited to, schools, hospitals, private schools, welfare, cemeteries, religious, church and veterans.

There is also a state exemption, which is the **homeowner's exemption**, as defined in Article XIII, Section 3, of the California Constitution. Eligibility for the homeowner's exemption is

based on the claimant owning and occupying the property as his principal place of residence on the lien date (R&T Code §§ 218 and 253.5) or at the date of change of ownership for the supplemental roll (R&T Code §75.20 et seq.). This exemption reduces up to the first \$7,000 of the gross taxable value, resulting in net taxable value used for tax extension. Reimbursement of the taxes lost from this exemption is mandated by the California Constitution and is determined by multiplying the appropriate **tax rate** by \$7,000. If a homeowner exemption form is not filed timely with the Assessor, the exemption is reduced to 80% of what is allowed (R&T Code §275).

METHODOLOGY

After the Assessor turns over the local roll to the Auditor, it is necessary for the Auditor to verify that the values received are identical to the values certified by the Assessor. Examples of verification include:

- The sum of all TRAs is compared to the total the Assessor has certified to the Auditor
- The county general fund total and all other countywide jurisdictions should be equal to the total assessed value.

The Auditor will use the following to create a tax roll as discussed in Chapters B-5 and B10:

- Equalized roll
- Any Assessor roll corrections made after the Assessor certified the roll and before tax roll extension. The inclusion of these roll corrections before extension is dependent on the county property tax system's sophistication and may not be included until after the extension.

AB8 Allocation calculations are made solely on the equalized roll as discussed in Chapters B10 and D1-D6 (R&T §96.5).

RELATED TOPICS

Jurisdictional Values

Tax Extension

Unitary

State Reports (Homeowners)

Supplemental Roll Maintenance

Tax Levy Process Section
Chapter B-5

PROPERTY TAX EXTENSION

INTRODUCTION

Computing the ***ad valorem tax*** is accomplished by multiplying ***assessed value(s)*** by a ***tax rate***. This process is referred to as property tax extension, computation of taxes, or extending the tax roll.

Direct charges may be added as separate items to a ***parcel's*** calculated ad valorem tax. This process produces the current year ***levy*** for the ***secured*** and ***unsecured*** rolls.

The secured extension creates tax bills with two installments. Pursuant to Revenue & Taxation (R&T) Code §2605, all secured taxes on personal property and half of those on real property are due with the first installment. The second half of the secured taxes on real property is due with the second installment. Thus, the presence of personal property will result in unequal installments. Most counties, however, have chosen to adopt an alternative method pursuant to R&T Code §2700 et seq. in which half of the secured taxes on both personal and real property is due with each installment. With either method, R&T Code §2152.5 permits the Board of Supervisors to adopt a resolution allowing the Auditor to reject any cent not evenly divisible by two. This section applies to all ad valorem taxes and direct charges on the ***secured roll***.

The unsecured extension creates tax bills with only one payment required. The taxes levied on the unsecured tax roll are computed using the prior year's secured tax rate for voter approved indebtedness per R&T Code §2237.5. R&T Code §2905 requires that fractions of a cent be rejected.

MAIN TOPIC

The property tax extension occurs after the ***roll*** has been turned over by the Assessor to the Auditor and after the county board of supervisors has adopted the tax rates for the current year. These tax rates are also applied to the ***valuations*** assessed by the State on ***utility*** property. The extension of the unsecured roll can be computed as soon as the Assessor has turned the unsecured values over to the Auditor. R&T Code §2905 requires the prior year secured tax rates be used for the extension of the current year unsecured roll.

METHODOLOGY

A ***tax rate area (TRA)*** contains a unique combination of ***taxing jurisdictions*** that serve a specific geographical area. Generally, if a taxing jurisdiction levies a tax rate for voter approved debt, that rate is added or inserted into every TRA within the ***jurisdiction's*** boundaries. The combination of the various rates levied for debt plus the countywide one percent rate within a TRA is the composite rate used to calculate each parcel's ad valorem tax.

The following is an example of tax rates for a TRA and the method for extending ad valorem tax.

	<u>TRA 001-234</u>
Countywide Rate	1.000000%
Elementary School Bond	.001250%
Water District Bond	<u>.010155%</u>
Total TRA Tax Rate	<u>1.011405%</u>

<u>Taxpayer</u>	<u>Assessor Parcel Number</u>	<u>Net Taxable Value</u>	<u>TRA 001-234 Tax Rate</u>	<u>Extended Ad Valorem Tax</u>
Coward Lee Lyon	010-0-322-025	125,000	1.011405	1,264.24
Scare E. Crow	010-0-325-125	275,000	1.011405	2,781.36
Tim Mahn	010-0-325-250	50,000	1.011405	<u>505.70</u>
Total ad valorem taxes levied for TRA 001-234				<u>\$ 4,551.30</u>

If any direct charges are levied on the above parcels, they would be added, and listed separately, to the extended ad valorem tax amount. The sum of the ad valorem tax amounts in all TRAs and any direct charges is the current year levy. The information required to be included on the tax bill is in R&T Code §2611.6 (See Exhibit 1).

The method by which the secured roll is created will determine the deadline date by which it shall be delivered to the Tax Collector as well as the language of the Auditor's affidavit, pursuant to R&T Code §2601.

- If the secured roll is prepared manually, the deadline date to deliver it to the Tax Collector is the fourth Monday in September.
- If the roll and the tax bills are machine prepared, the deadline to deliver it to the Tax Collector is October 16. In addition, the Auditor must deliver the roll to the Assessor by the fourth Monday in September to provide for the validation of the assessment roll that was delivered to the Auditor.
- If the secured roll is maintained in electronic data processing equipment and the tax bills are machine prepared, the deadline to deliver it to the Tax Collector is October 16. In addition, the Auditor must deliver the roll to the Assessor by the fourth Monday in September to provide for the validation of the assessment roll that was delivered to the Auditor.

At the time of delivery, the Tax Collector is charged with the collection of the current year levy.

The unsecured roll is extended and delivered to the Tax Collector as soon as practicable to enable the Tax Collector to mail these tax bills no later than 30 days prior to the date on which taxes are delinquent. Currently there is no code requirement for the Auditor to charge the Tax Collector with the unsecured roll.

RELATED TOPICS

Unitary
Direct Charges
Debt Service Rates
Roll Corrections
Jurisdictional Changes

1998-99
COUNTY OF OZ
SECURED TAX STATEMENT
EAST WITCH
TREASURER-TAX COLLECTOR
146 YELLOW BRICK ROAD
OZ, SOMEWHERE 99999
(456) 123-7890

Tax Rate Ar	Parcel or I.D. Number	Statement No.	Mailing Code
001234	123-0-567-890	555678	

Owner of Record January 1, 19 Situs/Location
Coward Lee Lion 123 Yellow Brick Road

Current Owner

Scare Crow
123 Yellow Brick Road
Emerald City, Somewhere 98989

Property Values

Land, Mineral	20,000
Improvements	100,000
Personal Property	2,000
Total	122,000
Less	
Homeowners Exem	7,000
Other Exemption	0
Net Total	115,000

Service Agency	Rate Per \$100	Amount
Prop 13 Max 1% Tax	1.000000	1,150.00
Elementary School I	0.001250	1.44
Water District Boni	0.010155	11.68
General Tax Total		1,163.12

Special Assessments	Dist/Zone	Amount
Bright Yellow Ligh	01-22	16.50
Brick Road Maint.	04-07	48.62
Oz W/C	12-01	120.00
Total Special Assessments		185.12

1st Installment	2nd Installment	Total
674.12	674.12	1,348.24
Due By 12/10/98	Due by 04-10-99	

1998-99 Return this Stub with your Payment
July 1, 1998 - June 30, 1999 SECURED TAX STATEMENT - OZ COUNTY
Assessee

Scare Crow
123 Yellow Brick Road
Emerald City, Somewhere 98989

Parcel or I.D. Number	Statement No.
123-0-567-890	555678

2nd
PAY THIS AMOUNT

674.12

2ND INSTALLMENT DUE
ON OR BEFORE 4/10/99

MAKE CHECK PAYABLE TO:
EAST WITCH - TAX COLLECTOR
146 YELLOW BRICK ROAD
OZ, SOMEWHERE 99999

After 04/10/99
Pay This Amount
Delinquent Second
751.53

1998-99 Return this Stub with your Payment
July 1, 1998 - June 30, 1999 SECURED TAX STATEMENT - OZ COUNTY
Assessee

Scare Crow
123 Yellow Brick Road
Emerald City, Somewhere 98989

Parcel or I.D. Number	Statement No.
123-0-567-890	555678

1st
PAY THIS AMOUNT

674.12

2ND INSTALLMENT DUE
ON OR BEFORE 12/10/98

MAKE CHECK PAYABLE TO:
EAST WITCH - TAX COLLECTOR
146 YELLOW BRICK ROAD
OZ, SOMEWHERE 99999

After 12/10/98
Pay This Amount
Delinquent Second
741.53

Exhibit 1

Tax Levy Process Section
Chapter B-6

UNITARY

Part 1: Unitary, Non-Unitary and Operating Non-Unitary Property (R&T Code §100)

Part 2: Intercounty Pipeline Rights-of-Way (R&T Code §100.01)

Part 3: Unitary Property of a Regulated Railway Company (R&T Code §100.11)

Part 4: Unitary Qualified Property (R&T Code §100.95)

Part 1

**UNITARY, NONUNITARY AND OPERATING
NONUNITARY PROPERTY**

INTRODUCTION

In order to consolidate and streamline the valuation process for public utilities, Article XIII of the California Constitution was amended. Prior to the amendment, the **State Board of Equalization (BOE)** valued the operation of railroads, gas, electric, telephone, telegraph, car and express companies on property used exclusively in the business of producing gross receipts. The amendment required the BOE to use the **ad valorem** assessment of all property for these companies and the intercounty pipelines, flumes and canals. The BOE was further required to allocate the property for local taxation according to its **situs**. This change created one tax bill in each county for each public utility. AB454 (Chapter 921, Statutes of 1987) provides a revised method of reporting and allocating property tax revenues generated from most state-assessed properties.

MAIN TOPIC

Under AB454, the BOE annually assesses and reports only the countywide taxable value for each utility. **State assessed property** is assessed at its fair market value or full value as of 12:01 a.m. January 1. The BOE transmits an estimated assessment on or before July 15, subject only to changes which will be transmitted on or prior to July 31 per Revenue and Taxation (R&T) Code §755. Normally, there are few changes from the estimate to the final BOE report, but the estimate is transmitted in a different format than the final report. BOE assesses that property (except franchises) owned or used by regulated railway, telegraph, or telephone companies, car companies operating on railways in the state, and companies transmitting or selling gas or electricity. The BOE groups these assessments as follows:

1. **Unitary:** A group of properties that operate as a **unit** as part of the primary function of the assessee.

Unitary values and the values of operating nonunitary for each utility are reported as one combined value in each county per R&T Code §723.

2. **Operating Nonunitary:** A group of properties that operate as a unit, but are not a part of the primary function of the assessee. These values are reported with unitary values as one combined value in each county.

3. **Nonoperating nonunitary:** Properties that do not operate as a unit and are not part of the primary function of the assessee. The values are reported as one combined value in each **Tax Rate Area (TRA)**. Counties bill and apportion these values as **secured** taxes.
4. See R&T Code §§723 and 723.1 and the glossary for state definitions. See also California Constitution Article XIII, Section 19.

Counties are responsible for billing, collecting, and apportioning taxes on these values.

METHODOLOGY

Unitary Tax Rate

Unitary and operating nonunitary values are reported by the BOE in TRA 000-001, which is a BOE designated TRA established to report these values. This TRA lists one value for each assessee. Because unitary and operating nonunitary values are reported as a single countywide value for each assessee, it is necessary to develop a special unitary **tax rate**. This tax rate contains both the 1% ad valorem tax rate and a unitary **debt service** ad valorem tax rate. These rates are to be calculated annually.

In most counties the unitary countywide tax rate is 1% (excluding debt service). The rate would be different for those counties who **levy** a negative rate in certain TRAs due to revenues exceeding the revenue limits of California Constitution Article XIII B (referred to as **Prop 4** or **Gann Limits**). See R&T Code §96.8. The rate is determined by dividing prior year ad valorem tax levies by the prior year ad valorem assessed value, per R&T Code §100(b)(1).

The unitary **debt service tax rate** is calculated annually, pursuant to R&T Code §100(b)(2)(B), by multiplying the percentage change between the two preceding **fiscal years** (FY) in the county's ad valorem debt service levy for the **secured roll** (not including unitary and operating nonunitary debt service) by the prior year unitary debt service tax rate (Exhibit 1-1).

- (a) Prior to FY1988-89, per R&T Code §100, unitary values were a part of total values. The net annual debt requirements were divided by total values to determine a debt rate as follows:

$$\frac{\text{Total annual debt requirements (R\&T Code §93)}}{\text{Total Property Values}} = \text{Unitary Debt Service Rate}$$

Unitary property values are no longer included in the denominator of this equation. Revenues are now generated based on formulas in R&T Code §100. These revenues provide additional funding and become a reduction to the total annual debt service requirements.

- (b) To create the base rate by fund in FY1988-89, the following calculation was done:

$$\frac{\text{PY Debt Levy on Unitary \& Operating Nonunitary Properties}}{\text{PY Assessed Value of Unitary \& Operating Nonunitary Properties}} = \text{Unitary Debt Service Rate}$$

.

Counties with No Secured Debt Service Tax Rates at the Time the Unitary Roll Was First Established

The unitary roll's debt service tax rate formula (R&T Code §100 et seq) is premised on the concept that a county had at least one existing secured debt service rate at the time the unitary roll was first established. However, several counties had no secured debt service rates when the unitary roll was first established, but did in a subsequent year (maybe not until many years later). These counties did not have the data necessary to calculate a "base" unitary debt service rate or the two prior year's data needed for the rate adjustment required by R&T Code §100(b)(2)(B). Using Exhibit 1-4 as an example, the following alternate methods are used to obtain unitary's debt service tax rate for the first two years of unitary debt service for any counties in this relatively unique situation.

1. For the first year, the unitary debt service tax rate is equal to the debt service tax rate levied on the secured roll, if there is only one secured debt service rate. If there is more than one, the formula below should be used. Information on setting the secured debt service tax rate can be found in Chapter B-1.

$$\frac{\text{Sum of CY Requirements}}{\text{Sum of Assessed Values of Taxing Entities with a Requirement}} = \text{Unitary Debt Service Tax Rate}$$

2. For the second year, the prior year unitary debt service rate is adjusted by the percentage of change in the secured debt levy. The percentage of change is calculated by dividing the current year requirements by the prior year secured debt levy.

$$\frac{\text{Sum of CY Requirements}}{\text{PY Secured Debt Levy}} = \text{Percentage of change}$$

$$\text{PY Unitary Debt Service Rate} \times \text{Percentage of Change} = \text{CY Unitary Debt Service Rate}$$

Beginning with year three, the calculation method prescribed by R&T Code §100(b)(2)(B), without alteration, is used (Exhibit 1-1).

Apportionment of the 1% Unitary Revenues

R&T Code §100 provides formulas for the allocation of unitary property taxes, which are based on the amount of unitary revenue received by a taxing entity in 1987-88. For the base year of FY1987-88 it was necessary to determine the amount of 1% unitary tax that each local **jurisdiction** received from unitary and operating nonunitary properties. This may have required an adjustment to the redevelopment project **base year** amounts. In counties where these revenues were previously allocated to ERAF, for the current year forward, the revenues must be reallocated and distributed proportionately to all taxing jurisdictions that received revenue from unitary/pipeline rights-of-way property tax (Exhibit 1-2A). For counties that have not removed ERAF from unitary allocation factors prior to FY 2012-13, the "current year" for this purpose could be either 2012-13 if implementing the ERAF removal in FY 2013-14, or 2013-14 if implementing the ERAF removal in FY 2014-15. These changes are to be implemented prospectively in accordance with the recommendation by the State Association of County Auditors in their letter to the SCO dated August 21, 2013 which references the legal opinion rendered by the State Controller's Office (SCO) on March 17, 2004 stating that ERAF should not be in the unitary and operating non-unitary tax apportionment computations.

For years after 1987-88, each taxing entity receives up to 102 percent of its prior year unitary tax revenue (Exhibit 1-2B).

1. If countywide unitary revenues are greater than 102 percent of prior year revenues, each jurisdiction will receive a percentage share of the excess unitary revenues equal to the percentage of each jurisdiction's share of secured property taxes before ERAF. In years where current assessed values exceeds 102 percent of the previous year, the prior year AB 8 allocation factors are to be used for the excess over 102 percent. The prior year AB 8 allocation factors will need to be adjusted for the removal of ERAF (Column J and Column K of Exhibit 1-2A).

If the Counties choose to use their countywide **apportionment factors** (referred to as **AB8 apportionment factors**) in-lieu of the calculation shown in Exhibit 1-2A, the AB 8 apportionment factors must be modified to exclude ERAF. Note: When using the AB8 apportionment factor for unitary allocation, *include the Redevelopment Agencies* if they do not have an AB8 apportionment factor.

2. If countywide unitary revenues are less than 102 percent of prior year revenues, each **taxing jurisdiction** receives the same percentage in the current year as in the prior year(s) (Column B of Exhibit 1-2B).

Apportionment of Debt Service Revenue

R&T Code §100(d) and Exhibit 1-3 illustrate this method of allocation. Divide prior year's unitary debt service revenue by prior year's total debt service revenue. Multiply the percentage by the current year's debt service requirement. This will determine the unitary portion of the required amount. The unitary portion of the required amount for each jurisdiction is divided by the total amount required for all jurisdictions to create a factor used to apportion the current year unitary debt service revenue.

Adding New Debt

When a new debt is issued, it will not have any prior year debt service information (In those instances where a district receives no property tax from the 1% levy, they will not receive any unitary debt service revenue). This missing data would result in the new debt service fund never receiving unitary debt revenues. Therefore, R&T Code §100(d)(3) provides the following calculation to create the new jurisdiction's proportional distribution factor:

Taxing jurisdiction's prior year Unitary Revenue (1%)
Taxing jurisdiction's prior year total Property Tax Revenue = a percentage

This percentage is multiplied by the taxing jurisdiction's new debt service requirement. See Exhibit 1-3 for an example. In future years the debt service will have received unitary debt revenues and can be incorporated into the standard formulas.

Transfer Delinquent Unitary Parcels to Unsecured Roll

Amounts assessed by the BOE that become delinquent on the secured roll may be collected using the procedures for the collection of taxes on the unsecured roll per R&T Code §760. R&T Code

§760 allows the tax collector to request if any amount assessed by the BOE becomes delinquent on the secured roll, they may utilize those procedures for the collection of taxes on the unsecured roll to collect the amount assessed by the board.

2006 County Tax Collectors' Reference Manual, Chapter 6000-6105 State Board Roll:
Property assessed on the State Board roll on which the taxes have not been paid is tax-defaulted in the same manner and at the same time as other tax-delinquent property on the secured roll.

Note: A delinquent tax on state assessed personal property should be collected as unsecured and, if unpaid after June 30, should be transferred to the unsecured abstract. Such tax is subject to the additional penalties provided in R&T Code §2922.

Please refer to your counties policy on transferring to the unsecured roll.

ADDITIONAL CONSIDERATIONS

There are special legislative provisions for certain counties, so you should review the code sections referenced above to see if your county was affected.

Some unitary activities can be claimed for State reimbursement per Government (Gov) Code §17500. This reimbursement is commonly referred to as **SB90**. Normally the Auditor-Controller's office files SB90 claims annually. Review your county's state reimbursement procedures on claim processing and filing dates.

ACCOUNTING TREATMENT

There are no special entries for Unitary Taxes. Treat all activity as apportionment of property tax.

Apportionment may be accomplished based on collections, or by the **Alternative Method of Tax Apportionment (Teeter Plan)**. Most counties are on the Teeter Plan. Some counties use both methods based on agreements with their districts. Please review your county's method before apportioning secured property taxes and/or direct charges.

RELATED TOPICS/CHECKLISTS

Annual AB 8 Calculation

Prop 4 Gann Limits

Alternative Method of Tax Apportionment (Teeter Plan)

SB90 – State Mandates, Gov Code §17500 et al

SB1096 Gymnastics: ERAF III, VLF Swap, and the Triple Flip

Accounting Standards and Procedures for Counties – Chapter 18 Property Taxes Section 18.09

ANNUAL UNITARY DEBT SERVICE TAX RATE

R&T Code §100(2)(A)

STEP NUMBER	DESCRIPTION	CALCULATION BY STEP	AMOUNT
1	PY Unitary Debt Service Rate		<u>0.1448%</u>

R&T Code §100(b)(2)(B) (from FY1989-90 forward)

2	Countywide Secured (including Homeowners Exemption-R&T Code §95(c)) Debt Service Levy	Immediate Prior Fiscal Year	\$ 25,194,664
3	Countywide Secured (including Homeowners Exemption-R&T Code §95(c)) Debt Service Levy	Second Prior Fiscal Year	<u>\$ 20,647,479</u>
4	Percentage of difference between the two preceding fiscal years	2 divided by 3	<u>1.2202</u>
5	Final Unitary Debt Service Tax Rate	4 multiplied by 1	<u>0.1767%</u>

R&T Code §100(b)(2)(A)

6	Prior Year Unitary Value		<u>\$ 1,057,241,800</u>
7	Prior Year Unitary Debt Service Levy	6 multiplied by 5	<u>\$ 1,868,146.26</u>

Exhibit 1-1

B6, Part 1 - 6

ONE-TIME RESTATEMENT OF THE COUNTYWIDE PRIOR YEAR UNITARY ALLOCATION FACTORS TO REMOVE ERAF GOING FORWARD

A - NO EXCESS OF 102%

COLUMNS:	A	B	C	D	E	
	PRIOR YEAR UNITARY TAX REVENUE	ERAF REALLOCATION		RESTATED JURISDICTION'S PY UNITARY TAX REVENUE	RESTATED ALLOCATION FACTOR	Current Year Total Unitary Revenue
		FACTOR	AMOUNT			
JURISDICTION		COL. A. / TOTAL NET OF ERAF	COL. B *ERAF AMT	COL. A + C		Prior Year up to 102%
						Excess Over 102%
County General	\$ 6,730,560.25	0.304460869	880,961.48	7,611,521.73	0.304460869	\$ 25,500,000
Air Pollution Control	18,651.75	0.000843723	2,441.32	21,093.07	0.000843723	\$ 25,500,000
Special Roads #3	109,881.00	0.004970532	14,382.30	124,263.30	0.004970532	\$ -
County Library	504,523.00	0.022822396	66,036.90	570,559.90	0.022822396	
Port Emerald Harbor	358,338.25	0.016209642	46,902.81	405,241.06	0.016209642	
County Flood Control	71,367.50	0.003228351	9,341.28	80,708.78	0.003228351	
Good Witch Water Dist	77,346.50	0.003498815	10,123.87	87,470.37	0.003498815	
Redevelopment Agency #1	152,836.25	0.006913638	20,004.70	172,840.95	0.006913638	
Winkies Unified School Dist	10,973,797.50	0.496406213	1,436,357.83	12,410,155.33	0.496406213	
Great Wizard Comm Coll.	1,952,222.50	0.088309938	255,525.95	2,207,748.45	0.088309938	
County School Service	1,156,962.50	0.052335882	151,434.56	1,308,397.06	0.052335882	
ERAF [2]	2,893,513.00		(2,893,513.00)	-		
Total	\$ 25,000,000.00	1.000000000	-	25,000,000.00	1.000000000	
TOTAL NET OF ERAF [1]	\$ 22,106,487.00					

B - EXCESS OF 102%

COLUMNS:	A	B1	B2	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
	PRIOR YEAR (PY) UNITARY TAX REVENUE	ERAF REALLOCATION		RESTATED JURISDICTION'S PY UNITARY TAX REVENUE	RESTATED ALLOCATION FACTOR	PY AB 8 ALLOCATION FACTORS			RESTATED PY AB8 ALLOCATION FACTORS (for the allocation of Excess 102%)				CURRENT YEAR UNITARY					
		FACTOR	AMOUNT			AB 8 REVENUES GROSS RDA	RDA TAX INCREMENT	VEHICLE LICENSE FEE	MODIFIED AB 8 REVENUES	REMOVAL VEHICLE LICENSE FEE	ERAF REALLOCATION		MODIFIED AB 8 REVENUES	ALLOC OF UP TO 102% OF P/Y	ALLOC OF EXCESS OVER 102%	REVENUE AMOUNT	ALLOCATION FACTOR	
JURISDICTION		COL. A. / TOTAL NET OF ERAF	COL. B1 *ERAF AMT								COL. A + B2	FACTOR						AMOUNT (COL. H + COL. I)
County General	\$ 6,730,560.25	0.304460869	\$ 880,961.48	\$ 7,611,521.73	0.304460869	\$ 57,600,000	(840,000)	\$ 4,000,000	\$ 60,760,000	\$ (4,000,000)	0.250154253	\$ 8,750,396	\$ 65,510,396	0.250154253	\$ 7,763,752	\$ 1,125,694	\$ 8,889,446	0.296314877
Air Pollution Control	18,651.75	0.000843723	2,441.32	21,093.07	0.000843723	200,000			200,000		0.000881446	30,833	230,833	0.000881446	21,515	\$ 3,967	\$ 25,481	0.000849381
Special Roads #3	109,881.00	0.004970532	14,382.30	124,263.30	0.004970532	1,200,000			1,200,000		0.005288673	184,998	1,384,998	0.005288673	126,749	\$ 23,799	\$ 150,548	0.005018253
County Library	504,523.00	0.022822396	66,036.90	570,559.90	0.022822396	5,600,000	(300,000)		5,300,000		0.023358308	817,074	6,117,074	0.023358308	581,971	\$ 105,112	\$ 687,083	0.022902783
Port Emerald Harbor	358,338.25	0.016209642	46,902.81	405,241.06	0.016209642	4,000,000	(420,000)		3,580,000		0.015777876	551,910	4,131,910	0.015777876	413,346	\$ 71,000	\$ 484,346	0.016144877
County Flood Control	71,367.50	0.003228351	9,341.28	80,708.78	0.003228351	900,000			900,000		0.003966505	138,748	1,038,748	0.003966505	82,323	\$ 17,849	\$ 100,172	0.003339074
Good Witch Water Dist	77,346.50	0.003498815	10,123.87	87,470.37	0.003498815	1,000,000	(150,000)		850,000		0.003746144	131,040	981,040	0.003746144	89,220	\$ 16,858	\$ 106,077	0.003535914
Redevelopment Agency #1	152,836.25	0.006913638	20,004.70	172,840.95	0.006913638	-	3,000,000		3,000,000		0.013221684	462,494	3,462,494	0.013221684	176,298	\$ 59,498	\$ 235,795	0.007859845
Winkies Unified School Dist	10,973,797.50	0.496406213	1,436,357.83	12,410,155.33	0.496406213	122,200,000	(900,000)		121,300,000		0.534596739	18,700,194	140,000,194	0.534596739	12,658,358	\$ 2,405,685	\$ 15,064,044	0.502134792
Great Wizard Comm Coll.	1,952,222.50	0.088309938	255,525.95	2,207,748.45	0.088309938	21,500,000	(240,000)		21,260,000		0.093697664	3,277,544	24,537,544	0.093697664	2,251,903	\$ 421,639	\$ 2,673,543	0.089118097
County School Service	1,156,962.50	0.052335882	151,434.56	1,308,397.06	0.052335882	12,700,000	(150,000)		12,550,000		0.055310710	1,934,769	14,484,769	0.055310710	1,334,565	\$ 248,898	\$ 1,583,463	0.052782106
ERAF [2]	2,893,513.00		(2,893,513.00)	-		34,980,000		(4,000,000)	30,980,000	4,000,000		(34,980,000)	-					
Total	\$ 25,000,000.00	1.0000000000	-	25,000,000	1.0000000000	\$ 261,880,000	-	\$ -	\$ 261,880,000	\$ -	1.0000000000	-	\$ 261,880,000	1.0000000000	\$ 25,500,000	\$ 4,500,000	\$ 30,000,000	1.0000000000
TOTAL NET OF ERAF [1]	\$ 22,106,487.00																	

Current Year Total Unitary Revenue \$ 30,000,000

Prior Year up to 102% \$ 25,500,000

Excess Over 102% \$ 4,500,000

ALLOCATION OF COUNTYWIDE UNITARY REVENUES TO JURISDICTIONS

COLUMNS:	A	B	C	D	E	F	G
	PRIOR YEAR UNITARY TAX REVENUE	ALLOC OF UP TO 102% OF P/Y FACTOR	AMOUNT	EXCESS OVER 102%* FACTOR	AMOUNT	CUR YEAR UNITARY TAX REVENUE COL. C + E	** ALLOC. FACTOR
JURISDICTION							
County General	\$ 7,611,521.73	0.30446087	\$ 7,763,752.17	0.25015425	\$ 1,125,694.14	\$ 8,889,446.31	0.296314877
Air Pollution Control	21,093.07	0.00084372	21,514.93	0.00088145	3,966.51	25,481.44	0.000849381
Special Roads #3	124,263.30	0.00497053	126,748.56	0.00528867	23,799.03	150,547.60	0.005018253
County Library	570,559.90	0.02282240	581,971.10	0.02335831	105,112.38	687,083.48	0.022902783
Port Emerald Harbor	405,241.06	0.01620964	413,345.88	0.01577788	71,000.44	484,346.32	0.016144877
County Flood Control	80,708.78	0.00322835	82,322.95	0.00396651	17,849.27	100,172.22	0.00333907
Good Witch Water Dist	87,470.37	0.00349881	89,219.77	0.00374614	16,857.65	106,077.42	0.003535914
Redevelopment Agency #1	172,840.95	0.00691364	176,297.77	0.01322168	59,497.58	235,795.35	0.007859845
Winkies Unified School Dist	12,410,155.33	0.49640621	12,658,358.44	0.53459674	2,405,685.32	15,064,043.76	0.50213479
Great Wizard Comm Coll.	2,207,748.45	0.08830994	2,251,903.42	0.09369766	421,639.49	2,673,542.91	0.08911810
County School Service	1,308,397.06	0.05233588	1,334,565.00	0.05531071	248,898.19	1,583,463.19	0.05278211
Total	<u>\$ 25,000,000.00</u>	<u>1.00000000</u>	<u>\$ 25,500,000.00</u>	<u>1.00000000</u>	<u>\$ 4,500,000.00</u>	<u>\$ 30,000,000.00</u>	<u>1.00000000</u>
Current Year Total Unitary Revenue		<u>\$ 30,000,000.00</u>					
Prior Year up to 102%		<u>\$ 25,500,000.00</u>					
Excess Over 102%		<u>\$ 4,500,000.00</u>					

*AB8 Allocation Factors

**Next year's Column B

Exhibit 1-2B

ALLOCATION OF DEBT SERVICE REVENUE

	1	2	3	4	5	6	7
	PRIOR YEAR DEBT SERVICE REVENUE	PRIOR YEAR UNITARY DEBT SERVICE REVENUE	PERCENT Col 2 /Col 1	CURRENT YEAR DEBT SERVICE REQUIREMENT	UNITARY PORTION OF REQUIRED AMOUNT Col 3 x Col 4	UNITARY DEBT SERVICE ALLOCATION FACTOR	CURRENT YEAR UNITARY DEBT SERVICE LEVY Col 6 x Exhibit 1-1
Air Control Bond	14,288,339.09	1,137,309.45	0.0796	15,227,608.17	1,212,117.61	0.6784	1,267,350.43
Port Emerald Bond	2,759,161.18	181,815.57	0.0659	3,406,140.55	224,464.66	0.1257	234,825.98
Munchkin Sch Bnd A	7,667,254.41	224,913.92	0.0293	7,849,584.25	229,992.82	0.1288	240,617.24
Munchkin Sch Bnd B	150,237.89	1,288.50	0.0086	501,181.19	4,310.16	0.0024	4,483.55
Flood Control Bond	225,360.36	1,680.30	0.0075	690,377.90	5,177.83	0.0029	5,417.62
Good Witch Bond	637,810.33	61,072.86	0.0958	446,906.35	42,813.63	0.0240	44,835.51
RDA #1	14,576.82	4,686.36	0.3215	13,763.18 #	4,424.86	0.0025	4,670.37
Library Bond	148,998.32	52,056.12	0.3494	146,054.44	51,031.42	0.0286	53,428.98
Munchkin Sch Bnd C	***SEE BOX A BELOW***		0.0284	422,092.43	11,987.43	0.0067	12,516.58
TOTAL	25,891,738.40	1,664,823.08		28,703,708.46	1,786,320.42	1.0000	1,868,146.26

*****BOX A -- TO ADD A NEW BOND***:**

	A TOTAL PRIOR YEAR SECURED REVENUE (INCL. HOPTR) 1%	B TOTAL PRIOR YEAR UNITARY REVENUE 1%	C UNITARY PERCENT OF TOTAL REVENUE Col B/Col A
TAXING JURISDICTION			
Munchkin School District - General Fund	2,488,760.98	70,736.91	0.0284

BOX B - RDA DEBT SERVICE REQUIRED

RDA DEBT SERVICE DESCRIPTION	RDA PRIOR YEAR DEBT SVC REVENUE	RDA CURRENT YEAR DEBT SVC REQUIREMENT
Secured	\$ 9,576.82	\$ 9,909.49
Unitary	0.00	0.00
HOPTR	4,023.47	3,853.69
Unsecured	976.53	0.00
Total	\$ 14,576.82	\$ 13,763.18

Note to Column 7: Exhibit 1-1, Step Number 7 shows the calculation of the Current Year Unitary Debt Service Levy

**Counties with No Secured Debt Service Tax Rates
at the Time the Unitary Roll Was First Established**

First Two Years of Unitary Debt Service Tax Rates

Year	Description	Debt Service Rates	
		Secured	Unitary
1	Unitary debt service rate is equal to the secured debt service rate if only one entity has a requirement. -or- <u>Sum of requirements for Entity A + Entity B</u> Sum of assessed values for Entity A + Entity B	<u>0.0172%</u>	<u>0.0172%</u>
2	a. Calculate the percentage of change by dividing the total CY requirements by the PY secured debt levy. $\frac{\$10,239}{\$52,633,784 \times 0.0172\%} = 1.1310$ $\$52,633,784 \times 0.0172\% = \$9,053$ c. Multiply the prior year unitary debt service rate by the percentage of change calculated in (a). 0.0172×1.1310		<u>0.0195%</u>
3	Use the process defined in R&T Code §100(b)(2)(B)		

Exhibit 1-4

PART 2

INTERCOUNTY PIPELINE RIGHTS-OF-WAY

INTRODUCTION

Companies with pipelines throughout the State of California were dissatisfied with the BOE's method of assessment of pipeline values. Unsuccessful attempts to have BOE transfer the assessment of pipelines to the counties led to the lawsuit Southern Pacific Pipelines v. BOE. The decision held by the court, was that BOE was without constitutional jurisdiction to assess the value of intercounty rights-of-way and that the property taxes collected by the counties under these assessments from FY1984-85 through FY1992-93 were unlawful. In addition, it was determined that if these rights-of-way were subject to assessment, they would be subject to valuations by county assessors under the provisions of **Proposition 13**.

Additional litigation continued through 1996, when both parties agreed that the pipeline rights-of-way are taxable property interests for FY1984-85 through FY1999-2000. Special legislation was passed to have the 30 counties involved settle this issue. The 30 counties are: Alameda, Butte, Contra Costa, Fresno, Imperial, Inyo, Kern, Kings, Madera, Merced, Monterey, Nevada, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Joaquin, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Solano, Stanislaus, Sutter, Tulare, Ventura, Yolo and Yuba. Each county's Board of Supervisors entered into an agreement with the pipeline taxpayers and made payments with interest through FY1994-95.

R&T Code §401.8, commencing with FY 1995-96, outlines the manner in which the counties will assess intercounty pipeline rights-of-way.

An exception to R&T Code §401.8 is for the Sacramento Municipal Utilities District (SMUD) pipeline, whose right-of-way is owned by PG&E and runs through 20 counties. The 20 counties are Alameda, Colusa, Contra Costa, Fresno, Glenn, Kern, Kings, Merced, Modoc, San Benito, San Bernardino, San Francisco, San Joaquin, Santa Clara, Shasta, Siskiyou, Solano, Stanislaus, Tehama, and Yolo. While the SMUD pipeline district is designated as nonunitary, the BOE assesses the value and surrenders it as unitary in TRA 000-511.

MAIN TOPIC

Per R&T Code §100.01 intercounty pipeline rights-of-way shall be assigned to a separate, countywide tax rate area. Tax rates will be calculated per R&T Code §100(b), see the Methodology section in Part 1 of this Chapter. Allocations of intercounty pipeline rights-of-way are per R&T Code §100(c) and (d).

METHODOLOGY

Allocation and debt service rates are levied and distributed as unitary. See Chapter 1 of this Section 4 for the methodology. BOE gave the 30 counties a choice in how the pipelines were assigned a BOE designated tax rate area. The choices were either a new number 000-511 (the number represents AB511, which created R&T Code §100.01) or the existing number 000-001.

ADDITIONAL CONSIDERATIONS

Intercounty pipeline valuations are reported on the annual report BOE-822, requested by BOE and the State Controller. It should be reported under the column headed "Allocated Countywide".

ACCOUNTING TREATMENT

See Accounting Treatment in Chapter 1 of this Section.

RELATED TOPICS

Report of Assessed Values by City (BOE-822)
Annual Report of Property Taxes LGRS 200-206 series
Report Estimated/Actual Collected Schools J29B and Superintendent of Schools J29C
Report Estimate/Actual Revenue for CCFS329, Community Colleges

PART 3

UNITARY PROPERTY OF A REGULATED RAILWAY COMPANY

INTRODUCTION

Under AB 2670 (Chapter 791, Statutes of 2006), the State Board of Equalization (BOE) is required to assess and to report the assessed values of a regulated railway company under the newly created Tax Rate Area (TRA) 000-002. These values were previously reported under the local Tax Rate Areas.

MAIN TOPIC

Effective fiscal year (FY) 2007-08, the existing assessed values of a regulated railway company and its qualified facility placed in service after January 1, 2007 are to be taxed in the same manner as the Unitary values under Revenue and Taxation Code §100.11(a)(2)(B). The tax rate includes both the 1% ad valorem tax rate and a unitary debt service ad valorem tax rate in the same manner as TRA 000-001.

METHODOLOGY

Countywide TRA: Effective with the FY 2007-08 **Board Roll** of State Assessed Property, a general countywide TRA 000-002 is designated to the values of the regulated railway company.

Tax Rates: R&T Code §100.11(a)(2)(B). See Part 1 of this chapter under the Methodology.

Apportionment of Debt Service Revenue: See Part 1 of this chapter under the Methodology.

Apportionment of the 1% Railway Unitary Revenue:

The formula to allocate the 1% revenue portion of the TRA 000-002 is prescribed under the Revenue and Taxation Code Section §100.11(a)(1)(B) and Revenue and Taxation Code §100.11(a)(2)(C). The countywide 1% revenue from FY 2006-07 assessed value of the regulated railway is used as the base revenue for the computation of the 2007-08 1% allocation factors for TRA 000-002.

- 1) The FY 2006-07 base revenue of each affected taxing entity is based on the allocation of the revenue each taxing entity received from the values of the local tax rate areas listed on BOE's letter dated December 1, 2006. The affected taxing entity includes the **Educational Revenue Augmentation Fund** and excludes the **Redevelopment Project Area**.
- 2) For the FY 2007-08, the affected Redevelopment Project Area is excluded from the allocation of the 1% portion in accordance to R&T Code §100.11(2)(C)(ii). Each affected taxing entity will receive its share of the allocation as if the redevelopment project area does not exist.
- 3) Beginning with FY 2008-09:
 - a) If the revenues derived from the TRA 000-002 are greater than 102 percent of prior year revenues, then *all taxing entities (not just the affected taxing entity)* will receive a percentage share of the excess unitary revenues equal to the percentage of each taxing entity's share of prior year secured property taxes.

- b) If the revenues derived from the TRA 000-002 are less than 102 percent of prior year revenues, then the affected taxing entity receives the same percentage share in the current year as in the prior year.

ACCOUNTING TREATMENT

See Accounting Treatment in Chapter 1 of this Section.

RELATED TOPICS

Annual Report of Property Taxes LGRS 200-206 series

Report Estimated/Actual Collected Schools J29B and Superintendent of Schools J29C

Report Estimate/Actual Revenue for CCFS329, Community Colleges

PART 4

UNITARY QUALIFIED PROPERTY OF PUBLIC UTILITIES

INTRODUCTION

Due to opposition from local taxing agencies, public utilities were having problems obtaining permits for the construction of new electric infrastructures. The taxing agencies' opposition stemmed from the minuscule portion of property tax revenue received from the new facilities in comparison with the services taxing agencies must provide.

Under the existing R&T Code §100 methodology, each taxing entity gets a share of the property tax revenues from countywide unitary, regardless of whether the new facility is within that taxing entity's boundaries. To overcome the opposition, public utilities successfully lobbied in passing legislations for exceptions of the R&T Code §100 methodology in allocating the property tax revenues from qualified properties such as the electrical power plants in San Diego County (the City of Chula Vista [AB 1108, 1993] and the City of Escondido [AB 2558, 2004]), PG & E education and training center in Alameda County (City of Livermore [SB 53, 1991]), and PacBell computer center in Solano County (City of Fairfield [AB 454, 1987])

SB 1317 (Chapter 872, Statutes of 2006) provides a permanent equitable way in allocating the property tax revenues from the new electric utility infrastructures such as projects new electrical substation, generation, and transmission facilities to the county in which the facilities are located which placed in service on or after January 1, 2007.

MAIN TOPIC

Annually, if applicable, the BOE will send a supplemental report with the annual roll identifying the assessed value of qualified property in local TRAs. The tax rate applied to the assessed values of the qualified property shall be the rate calculated per R&T Code §100(b) in accordance to R&T Code §100.95(a). Allocation of the revenues to taxing entities is based on the location of the new qualified properties in accordance with the R&T Code §100.95(a)(3).

METHODOLOGY

Countywide TRA: Effective with FY 2007-08, a general countywide TRA 000-095 (numbered as a reference to R&T Code §100.95) is assigned to the values of the qualified properties. Additional information pertaining to the qualified property under TRA 000-095 will be included with the roll for the TRA in which the qualified property is located.

The qualified properties are to be taxed in the same manner as unitary under Revenue and Taxation Code §100.11(a) (2) (B). The tax rate includes both the 1% ad valorem tax rate and a unitary debt service ad valorem tax rate in the same manner as TRA 000-001.

Tax Rates: See Part 1 of this chapter under the Methodology.

Apportionment of Debt Service Revenue: See Part 1 of this chapter under the Methodology.

Apportionment of the 1% Unitary Revenue of Qualified properties: The formula to allocate the 1% tax derived from TRA 000-095 is specified under Revenue and Taxation Code Section 100.95(a)(3) as follows:

- a) The county, school entities, educational revenue augmentation fund, and non-enterprise special districts will receive the same percentage of the unitary property tax revenues they received in the previous year. These entities are held harmless in accordance with the Revenue and Taxation Code Section 100.95(A)(i), Revenue and Taxation Code Section 100.95(A)(ii), and Revenue and Taxation Code Section 100.95(A)(iii).
- b) After the allocation of county, school entities, educational revenue augmentation fund, and non-enterprise special districts, 90% of the remaining property tax revenue is to be allocated to the city (if the qualified property is within the city) or the county in which the qualified property is located in accordance with the Revenue and Taxation Code Section 100.95(a)(3)(B)(i).
- c) The remaining 10% of property tax revenues is to be allocated to the water district(s) or the city that is the water provider and that also receives Unitary revenue. If there is more than one water district providing water, each will receive equal shares of this revenue. If the water provider is a private water company or a district that does not receive Unitary revenue, then the amount will be allocated to either the city or the county in accordance with the Revenue and Taxation Code Section 100.95(a)(3)(B)(ii). (Note: The law does not specifically provide for situations in which a private water company or public water districts does not exist. Consult with your county counsel if you have this situation.)
- d) All other entities in the county that would have otherwise received a share of the public utility's property tax revenues under the TRA 000-001 will receive no share of the property tax revenue derived from a qualified property.

If any additional qualified properties are placed in service in future years, the methodology for allocation of the property tax revenues is as follows:

- a) The values of qualified facility are allocated in accordance to the Revenue and Taxation Code Section 100.95(a)(3).
- b) The allocation of revenues derived from the above are to be added to the revenues from the existing qualified property of the affected districts in forming the new allocation factors for the 1% revenues portion of the TRA 000-095.

If the qualified property is decommissioned, the allocation of the 1% revenue portion of the qualified property will be removed from the current revenue base.

ACCOUNTING TREATMENT

See Accounting Treatment in Chapter 1 of this Section

REFERENCE

Uniform Guidelines for the Implementation of Senate Bill 1317

RELATED TOPICS

Annual Report of Property Taxes LGRS 200-206 series

Report Estimated/Actual Collected Schools J29B and Superintendent of Schools J29C

Report Estimate/Actual Revenue for CCFS329, Community Colleges

Tax Levy Process Section
Chapter B-7

CERTIFIED DELINQUENT AMOUNTS
(Charging Tax Collector for Delinquent Tax/Penalty)

INTRODUCTION

There are various Revenue and Taxation Codes that direct the auditor to charge the tax collector for both penalties and the delinquent status of the **roll** at certain times of the year.

MAIN TOPIC

It is the auditor's responsibility, when taxes become delinquent, to compute and charge the tax collector with the increase to the roll for both penalties and cost. Also, it is necessary to charge the tax collector when transferring current unpaid taxes to the appropriate delinquent roll (redemption or prior unsecured).

METHODOLOGY

Charge for first installment penalties (Current Secured)

Revenue and Taxation Code §2623 reads: Prior to February 1st, the Auditor shall:

- a) Compute and enter the delinquent penalty against all taxes on the **secured** roll not marked paid.
- b) Foot the penalties.
- c) Charge the tax collector with the total penalties due on the secured roll.
- d) Deliver the secured roll to the tax collector.

EXAMPLE

Pursuant to §2623 of the Revenue and Taxation Code, the FY_____ secured roll first installment penalty extension has been completed as of (date)_____. The sum of penalty extension was \$_____.

Attest:

Tom Wizard
Oz County Auditor-Controller

Charge for second installment penalties and costs (Current Secured)

Revenue and Taxation Code §2855 reads: Annually on or before June 1st, the Auditor shall:

- a) Compute and enter the delinquent penalties and costs on the secured roll.
- b) Charge the tax collector with the penalties and costs.
- c) Deliver the secured roll duly certified to the tax collector.

EXAMPLE

Pursuant to §2855 of the Revenue and Taxation Code, the FY_____secured roll second installment penalty extension has been completed as of date)_____. The sum of penalty was \$ _____and the sum of the cost is \$ _____.

Attest:

Tom Wizard
Ox County Auditor Controller

Charge on Current Secured Roll if settlement is on or before June 1st

Revenue and Taxation Code §2626 reads: On or before June 1st, the auditor shall compare the delinquent roll, if one is prepared, with the secured roll. If satisfied, the delinquent roll is correct, he shall:

- a) Foot the unpaid taxes and penalties.
- b) Credit the tax collector with the unpaid taxes and penalties on the secured roll.
- c) Make a final settlement with him of all taxes and penalties charged.

NOTE: A settlement is rarely done this early in the year by the tax collector.

Revenue and Taxation Code §2627 states that three days after this settlement, that auditor shall:

- a) Compute and enter the penalties and costs on the delinquent roll.
- b) Charge the tax collector with the amount due on the delinquent roll.
- c) Deliver the delinquent roll duly certified, to the tax collector.

EXAMPLE

This is to certify pursuant §2627 of the Revenue and Taxation Code that \$ _____ is the correct charge to the Tax Collector for the FY_____secured roll for unpaid taxes, assessments, penalties, costs, and interest as of (date)_____ .

Attest:

Tom Wizard
Oz County Auditor-Controller

Charge to Redemption roll (Unpaid Current Secured as of June 30)

Revenue and Taxation Code §4374 reads: "Upon completion of any **abstract list**, or the insertion of new information therein, the auditor shall certify thereon that it contains a true and correct statement of all information relating to property on which all or any part of the taxes are unpaid, which is contained in the rolls specified by the auditor in the certificate."

EXAMPLE

I, Tom Wizard, Auditor-Controller of Oz County, do hereby certify that the delinquent current Secured Tax Roll for FY _____ is complete and correct.

<u>Tax</u>	<u>Penalty</u>	<u>Cost</u>	<u>Total</u>
xx,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx.xx	Xx,xxx,xxx.xx

The above is to be transferred to redemption for collections.
This certification is made in compliance with Revenue and Taxation Code §4374.

Attest:

Tom Wizard
Oz County Auditor-Controller

Charge to Prior Unsecured roll (Unpaid Current Unsecured as of 12/31)

Revenue and Taxation Code §2927.3 reads: Upon completion of any abstract list or the insertion of new information therein the auditor shall certify thereon that it contains a true and correct statement of all information relating to property on which all or any part of the taxes are unpaid which is contained in the rolls specified by the auditor in the certificate.

EXAMPLE

I, Tom Wizard, Auditor-Controller of Oz County, do hereby certify that the delinquent current unsecured tax roll for FY _____ is complete and correct.

<u>Tax</u>	<u>Penalty</u>	<u>Cost</u>	<u>Total</u>
x,xxx,xxx.xx	xxx,xxx.xx	x,xxx.xx	x,xxx,xxx.xx

The above is to be transferred to prior unsecured for collections.
This certification is made in compliance with Revenue and Taxation Code §2927.3.

Attest:

Tom Wizard
Oz County Auditor-Controller

**Tax Levy Process Section
Chapter B-8**

MOBILE HOMES

INTRODUCTION

A mobile home installed on an approved foundation located on the owner's property is considered a structure valued as an **improvement**. As a result of the Statutes of 1979, Chapter 1160, mobile home value will be subject to property taxation on the **secured** roll as **real property**. In addition, if a mobile home was first sold prior to January 1, 1977 and is subject to the state vehicle license fee, it will not be subject to local property taxation if not permanently affixed to the land.

In contrast, if a mobile home is located within or on a rental space within a mobile home park, it is not property subject to taxation of the land and taxes apply only to the value of the manufactured home. Taxation of a mobile home is on the full cash value of the manufactured home including any accessory to the structure that is sold along with the home. It is not subject to any **ad valorem** property taxes for **debt service** of any water district or of any improvement district therein the tax rate area. (*Section 20220 Water Code*). The water district is any political subdivision, other than a city or county, of which their primary function is distribution of water for domestic use, municipal, agricultural, industrial, recreation, fish, and wild life enhancement, flood control, or power production purposes (*Section 20200 Water Code*).

METHODOLOGY

Depending on the structure of your computer system, there will be a variety of ways to implement the debt rate exclusion mentioned above. The primary concern is that these assessments do not include the water district's debt rate. The Assessor will need to identify all mobile homes that qualify for the water district debt rate exclusion noted above, by tax rate area and assessment number and all pertinent value data. A correct method for the property tax system will need to be devised to exclude the water debt rate from the **Tax Rate Areas (TRAs)** when extending taxes for these assessments.

One example is to create a Pseudo TRA on your system that is identical to the original TRA but will not include any water district debt rates. This may be necessary if you use TRAs as a main source for storage of combined tax rates used in the extension process and rate percentages used for distribution. This would have to be done for all TRAs that have applicable mobile homes situated within them and would then have to be maintained yearly by the county, as **State Board of Equalization (BOE)** would have no such TRAs on record. A numerical identity would have to be devised as to not conflict with existing or potential future TRAs.

For counties that do not combine tax rate data by TRAs, simply exclude any water debt rates from the appropriate mobile home assessments extended for taxes. An example of such assessment is to identify the property by the first three digits of the parcel number. Such as 803-000-000 is a mobile within a park. 804-000-000 is a mobile home situated on land, which

has a different landowner. These 800 number stratum flag the system to exclude all debt service fees to that assessment.

RELATED TOPICS

Debt Service Rates
Jurisdictional Changes

Tax Levy Process Section
Chapter B-9

BOND ADMINISTRATION

- Part 1: Overview
- Part 2: General Obligation (G/O) Bonds
- Part 3: Assessment District Bonds (1915 Bonds & 1911 Bonds)
- Part 4: Mello-Roos Special Tax Bonds

**Part 1
OVERVIEW**

INTRODUCTION

This chapter provides an introduction to the various aspects of different bond types.

MAIN TOPIC

The Auditor's Office may be responsible for various aspects of maintaining the long-term debt and **construction funds**, handling semi-annual **debt service** payments, and setting annual **tax rates**.

From the perspective of state law, there are two different basic kinds of bonds involving property taxes:

1. **General obligation bonds** (G/O bonds) are based on an **ad valorem tax** rate. With registered voter approval, agencies with taxing power may issue general obligation bonds. The bonds are paid for by a levy of an additional tax rate, above the **1% general tax rate**, against the **assessed value** of property.
2. Non-ad valorem bonds such as **1915 Act Bonds**, or **Mello-Roos** special taxes that may be bonded. These types of bonds are commonly used to finance capital improvements. The bonds are paid for by the levy of an annually specified amount which is added to the tax bill as a **Direct Charge**.

While not the focus of this chapter, it may be helpful to know that from the capital/financial market's perspective, different kinds of bonds may be issued. Some of these may be related to ad valorem and non-ad valorem bonds, while others typically aren't.

Refunding Bonds are bonds used to pay all or a portion of the principal or interest on outstanding bonds. These bonds are generally issued to achieve a debt service savings, but are also considered when restructuring debt. Refunding bonds may be issued on ad valorem or non-ad valorem bonds. Refunding is a form of "refinancing" existing debt.

Capital Appreciation Bonds (CABs), also known as zero-coupon bonds, are bonds that pay no periodic interest rate; rather they are sold at a deep discount and the principal and interest are paid at maturity. CABs are especially beneficial to schools, which may be limited in the rate they can levy. By delaying the payments until a later date when assessed values will most likely be higher, the issuing district can raise needed capital and remain within their rate limits. AB182 (Chapter 477, Statutes of 2013) established specific criteria for school district's use of CABs: limits total debt service on the bonds to four times the principal; limits CABs maturity to a maximum of 25 years; requires CABs to allow early repayment of the debt when maturities are longer than 10 years.

Certificate of Participation bonds (COPS) A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues.

Qualified School Construction Bonds (QSCBs) are a new bond structure authorized by the American Recovery and Reinvestment Act of 2009 (ARRA). QSCBs provide for the construction, rehabilitation, or repair of a public school facility, or for the acquisition of land on which such a facility is to be constructed. The issuing district repays the principal without interest. The bonds provide federal tax credits for bond holders in lieu of interest in order to significantly reduce an issuer's cost of borrowing for public school construction projects. QSCBs can only be authorized and allocated for fiscal years 2009 and 2010.

Build America Bonds (BABs) are a new bond structure authorized by the American Recovery and Reinvestment Act of 2009 (ARRA). ARRA authorized state and local governments to issue BABs as taxable bonds in 2009 and 2010 to finance any capital expenditures for which they otherwise could issue tax-exempt governmental bonds. Internal Revenue Code added §54AA to the Code authorizing state and local governments, at their option, to issue two general types of BABs as taxable governmental bonds with Federal subsidies for a portion of their borrowing costs. The subsidies take the form of either tax credits provided to holders of the bonds or refundable tax credits paid to state and local governmental issuers of the bonds. Build America Bonds have different levels of Federal subsidies and program requirements depending on the particular type of bond. The most widely used BAB is the direct Federal subsidy, which provides a payment equal to 35% of the interest payment, for every interest payment made to investors.

Tax & Revenue Anticipation Notes (TRANS) are an advancement of property taxes or state apportionments. The maximum length for the issuance is 15 months and is repaid from revenues received or accrued within the same fiscal year in which the TRAN is issued or paid from set-asides. No voter approval is required; however County Board approval is required.

Bond Anticipation Notes (BANs) serve as a short term financing mechanism when a District's tax base is insufficient to cover a traditional bond issuance. BANs are issued as either general obligation or Mello-Roos bonds. The BANs must be approved in a general obligation bond election, and their maximum maturity, including any rollover issuance, cannot exceed three or five years from the date of initial issuance depending on the code under which they are issued. Repayment is made from proceeds of a future general obligation bond issuance.

Marks-Roos Local Bond Pooling Act of 1985 (Marks-Roos was authorized by AB 2300 (Chapter 723, Statutes 2001). Marks-Roos provides multiple agencies, working together, flexible financing and reduced borrowing costs through the use of bond pools. Agencies commonly work together via a Joint Powers Agreement which creates a **Joint Powers Authority/Agency (JPA)**. Marks-Roos authorizes JPAs to issue Marks-Roos bonds and loan the proceeds to local agencies to finance public capital improvements, working capital or insurance programs, or the Marks-Roos bonds can be used to purchase other bonds issued by local agency members. A Marks-Roos bond pool may purchase the Mello-Roos or Assessment District bonds issued by a local agency. The underlying Mello-Roos or Assessment District bonds are commonly repaid by a levy on the property tax bill. However, for the property owner, everything related to the property tax charge will be determined by the underlying Mello-Roos or Assessment District bonds, and not the Marks-Roos bonds.

METHODOLOGY

While the underlying laws authorizing the issuance of ad valorem and non-ad valorem bonds vary, all bonds have certain common characteristics in regard to their issuance, which include:

- Official Statement
- Repayment/Amortization Schedule
- Underwriter
- legal Counsel
- Paying Agent or Trustee (key difference exist between the two)
- Creation of funds restricted for the purpose of the bonds

RELATED TOPICS

Debt Service Rates
Direct Charges
Tax Extension

Part 2 GENERAL OBLIGATION (G/O) BONDS

INTRODUCTION

General obligation bonds (G/O bonds) are based on an **ad valorem tax** rate. With registered voter approval, agencies with taxing power may issue general obligation bonds. The bonds are paid for by a levy of an additional tax rate, above the **1% general tax rate**, against the **assessed value** of property.

School districts are one of the most common users of G/O bonds. Specific legislation and considerations apply:

- **School Facilities Improvement Districts (SFIDs)** are special revenue districts formed by school districts and community college districts under the Education (Ed) Code §15300 et seq. that can obtain approval to issue general obligation bonds. SFIDs may be a specified subset of the whole district. Only properties within the SFID are levied the ad valorem tax rate.
- Proposition 39, which passed in November 2000, amended the voting requirements of the California Constitution (Article XIII A, Section 1 and Article XVI, Section 18). This initiative allows for a passing majority vote of 55% of the registered voters in addition to the two-thirds vote requirement. Proposition 39 is applicable solely for school facilities general obligation. Proposition 39 also adds additional accountability requirements to Section 47614 of the Ed Code:
[http://ballotpedia.org/wiki/index.php/California_Proposition_39,_Supermajority_of_55%25_for_School_Bond_Votes_\(2000\)](http://ballotpedia.org/wiki/index.php/California_Proposition_39,_Supermajority_of_55%25_for_School_Bond_Votes_(2000)).
- Senate Bill (SB) 1464 (Chapter 772, Statutes 1992) imposed new restrictions and guidelines on the use of a Community Facilities District (CFD) or School Facilities Improvement Districts (SFIDs). SB1464 directly affects agencies with outstanding Mello-Roos bonds and those districts forming CFDs after January 1, 1993.
- Schools commonly make use of **Capital Appreciation Bonds (CABs)**, **Certificate of Participation bonds (COPs)**, **Qualified School Construction Bonds (QSCBs)** and **Build America Bonds (BABs)** when they issue their G/O bonds.

MAIN TOPIC

General Obligation Bonds are registered voter-approved bonds where an ad valorem tax rate is levied against the value of the property. General obligation bonds may not be paid off early by the taxpayer/property owner. However, the district can do early bond calls and refundings in certain circumstances. Since general obligation bonds are ad valorem based, there are no exemptions for property owners 65 or older or persons receiving Supplemental Security Income for a disability, regardless of age (as compared to school **Qualified Special Taxes** which allows for such exceptions under Government (Gov) Code §50079).

This type of bond is usually the best **secured** debt instrument from an investor's standpoint. General obligation bonds normally have the lowest interest cost to the agency and a debt service **reserve fund** is not required. The principal disadvantage of general obligation

bonds from a financing stand point is the voter-approval requirement, which may be difficult to obtain. These bonds can only be used for capital acquisitions or improvements such as new school construction, flood control, etc.

METHODOLOGY

A ***Certificate of Bonding Capacity*** is required for voter-approved school bond issues and may involve the Auditor's Office. Based on Ed Code §15100 et seq., the assessed value and type of school district determines the calculation used in computing the bonding capacity (Exhibit A). Refunding (refinancing) bonds may not require a Certificate of Bonding Capacity.

If a school bond is approved under Proposition 39, there is, among other provisions, an additional limitation regarding the amount of bonds that can be issued. This limit is based on the projected tax rate to be levied to meet the bond obligation. Specifically, the bonds may only be issued if the projected annual tax rate, for all debt incurred resulting from a single election, doesn't exceed \$30 for a school district, \$60 for a unified school district or \$25 for a community college district when the assessed value of taxable property is projected by the district to increase in accordance with Article XIII A of the California Constitution (Ed Code §15268 and §15270). It is important to note that this limitation is on the amount of bonds that can be issued, not on the tax rate that is actually levied for repayment of the bonds. The board of supervisors of the county is annually required to levy a tax rate that is sufficient to meet the interest and redemption obligation (Ed Code §15250), whether or not it exceeds the limit put in place by Proposition 39 as codified by Assembly Bill (AB) 1908.

An ***amortization schedule*** is provided once the bonds are sold (Exhibit B). This schedule provides the principal and interest due each year. The annual amount is used for setting the tax rate, and the total outstanding principal needs to be disclosed as long-term debt in the financial statements.

The proceeds from the sale of bonds are deposited into the ***construction fund***, however any premium or accrued interest must be deposited to the ***interest and sinking fund*** (Ed Code §15146(g) and §15350(a)). All revenue generated from the tax rate also needs to be deposited into the interest and sinking fund which will be the fund used to make all principal and interest payments to the bondholders/paying agent.

Special considerations may be necessary due to AB1350, which was approved in October 2011 and amended Revenue & Taxation Code §96.31. When a local jurisdiction increases or extends a property tax rate to support certain pensions and retirement systems on or after January 1, 2012, the County Auditor is required to verify that the rate does not exceed the maximum rate authorized. This bill requires affected jurisdictions to provide the County Auditor with any documentation that is necessary to assist in making the verification and to reimburse the County Auditor for the actual and reasonable costs incurred in administering the verification. The County Auditor is required to reject the increase or extension of any property tax rate of any affected jurisdiction that exceeds the maximum statutory rate.

All proposed general obligation bond issues requiring voter approval must provide a minimum level of fiscal analysis information in an effort to provide transparency to the voters. As statement including this mandatory information must be mailed to the voters with

their sample ballot providing best estimates of the following specific information (Elections Code §9400 et seq. added by SB 838, Statutes 1968, Chapter 813).

1. Tax rate required during the first fiscal year after the first sale of the bonds.
2. Tax rate required during the first fiscal year after the last sale of the bonds.
3. Highest tax rate that would be required and an estimate of the year it would occur.
4. Total debt service including principal and interest that would be repaid if all the bonds were issued and sold (effective 1/1/2015 pursuant to AB 12251, Statutes 2014, Chapter 908).

RELATED TOPICS

Debt Service Rates
Tax Extension

CERTIFICATE OF COUNTY AUDITOR-CONTROLLER

I, the undersigned Auditor-Controller of the County of OZ, State of California (the "County"), hereby certify that as shown by my records, including the last equalized assessment roll for the fiscal year 2XXX-2XXX, the valuations and bonding capacity for the Emerald City Unified District (the "District") are as follows:

	COUNTY OF OZ (County of Control)	GREEN COUNTY (Joint County)
1. Gross assessed value of the unitary and operating nonunitary property within the District for the 1987-88 Fiscal year.....	\$ <u>22,319,880</u>	\$ <u>5,198,370</u>
2. Gross assessed value of all unitary and operating nonunitary property within the County in which the District is located for the 1987-88 fiscal year.....	\$ <u>3,944,408,250</u>	\$ <u>995,056,630</u>
3. Item 1 divided by item 2.....	\$ <u>.00565861</u>	\$ <u>.005224195</u>
4. Gross assessed value of all unitary and operating nonunitary property within the County on the last equalized assessment roll.....	\$ <u>4,141,236,699</u>	\$ <u>1,078,017,113</u>
5. Item 4 times item 3.....	\$ <u>23,433,656</u>	\$ <u>5,631,772</u>
6. Taxable property of the District excluding unitary and operating nonunitary property described above	\$ <u>69,027,293</u>	\$ <u>20,212,297</u>
7. Item 6 plus item 5.....	\$ <u>92,460,949</u>	\$ <u>25,844,069</u>
8. Applicable percentage bond debt limit (Education Codes Section 15102 (School District) or Section 15106 (Unified School District)).....	\$ <u>2.5%</u>	\$ <u>2.5%</u>
Bonding capacity (item 8 times item 7)	\$ <u>2,311,524</u>	\$ <u>646,102</u>
9. TOTAL BONDING CAPACITY	\$ <u>2,957,626</u>	
Less: Current outstanding debt	\$ <u>0</u>	
10. TOTAL NET BONDING CAPACITY	\$ <u>2,957,626</u>	

Exhibit A

**Winged Monkeys High School
2001 General Obligation Bonds, Series A**

Fund: 8351 **Date of Issue:** 03/01/2001
Amount: 3,600 Bonds @ \$5,000.00 each = \$18,000,000.00

Due Date	Quantity of Bonds	Principal	Interest	Total
08/01/2001			382,304.69	382,304.69
02/01/2002			458,765.63	458,765.63
08/01/2002			458,765.63	458,765.63
02/01/2003			458,765.63	458,765.63
08/01/2003	124	620,000.00	458,765.63	1,078,765.63
02/01/2004			446,365.63	446,365.63
08/01/2004	47	235,000.00	446,365.63	681,365.63
02/01/2005			441,078.13	441,078.13
08/01/2005	54	270,000.00	441,078.13	711,078.13
02/01/2006			435,003.13	435,003.13
08/01/2006	61	305,000.00	435,003.13	740,003.13
02/01/2007			428,140.63	428,140.63
08/01/2007	69	345,000.00	428,140.63	773,140.63
02/01/2008			421,240.63	421,240.63
08/01/2008	77	385,000.00	421,240.63	806,240.63
02/01/2009			413,540.63	413,540.63
08/01/2009	84	420,000.00	413,540.63	833,540.63
02/01/2010			405,140.63	405,140.63
08/01/2010	93	465,000.00	405,140.63	870,140.63
02/01/2011			395,840.63	395,840.63
08/01/2011	102	510,000.00	395,840.63	905,840.63
02/01/2012			385,003.13	385,003.13
08/01/2012	111	555,000.00	385,003.13	940,003.13
02/01/2013			370,087.50	370,087.50
08/01/2013	123	615,000.00	370,087.50	985,087.50
02/01/2014			353,559.38	353,559.38
08/01/2014	135	675,000.00	353,559.38	1,028,559.38
02/01/2015			335,418.75	335,418.75
08/01/2015	147	735,000.00	335,418.75	1,070,418.75
02/01/2016			315,206.25	315,206.25
08/01/2016	161	805,000.00	315,206.25	1,120,206.25
02/01/2017			293,571.88	293,571.88
08/01/2017	175	875,000.00	293,571.88	1,168,571.88
02/01/2018			270,056.25	270,056.25
08/01/2018	191	955,000.00	270,056.25	1,225,056.25
02/01/2019			244,390.63	244,390.63
08/01/2019	207	1,035,000.00	244,390.63	1,279,390.63
02/01/2020			216,575.00	216,575.00
08/01/2020	224	1,120,000.00	216,575.00	1,336,575.00
02/01/2021			186,475.00	186,475.00
08/01/2021	242	1,210,000.00	186,475.00	1,396,475.00
02/01/2022			153,956.25	153,956.25
08/01/2022	262	1,310,000.00	153,956.25	1,463,956.25
02/01/2023			119,568.75	119,568.75
08/01/2023	282	1,410,000.00	119,568.75	1,529,568.75
02/01/2024			82,556.25	82,556.25
08/01/2024	303	1,515,000.00	82,556.25	1,597,556.25
02/01/2025			42,787.50	42,787.50
08/01/2025	326	1,630,000.00	42,787.50	1,672,787.50
Totals	<u>3,600</u>	<u>\$18,000,000.00</u>	<u>\$15,728,492.33</u>	<u>\$33,728,492.33</u>

Exhibit B

Part 3

ASSESSMENT DISTRICT BONDS (1915 ACT BONDS & 1911 ACT BONDS)

INTRODUCTION

The Improvement Act of 1915 authorizes non-ad valorem bonds such as **1915 Act Bonds**, while the Improvement Act of 1911 authorizes non-ad valorem **1911 Act Bonds**. These types of bonds are commonly used to finance capital improvements. The bonds are paid for by the levy of an annually specified amount which is added to the tax bill as a Direct Charge. The primary focus of this chapter is on 1915 Act Bonds.

Senate Bill (SB) 1122, chaptered in 2001, requires that certain disclosures be made by the seller to the buyer upon the transfer of **real property** that has 1915 Act Bonds (Civil Code §1102.6(b)). It also requires the authorizing **local agency** to provide certain information and disclosures upon request.

MAIN TOPIC

1915 Act Bonds are a type of **Assessment District Bond**. Assessment District bonds commonly include those authorized under the 1911 or 1915 Acts and are for a specific improvement to **parcels** within an assessment district (i.e. sewer, sidewalks, curbs and gutters, etc.). However, a newer subtype of 1915 Act Bond, called **Property Assessed Clean Energy (PACE)**, relate to improvements made on a specific property under a voluntary contractual assessment. A specific dollar amount is applied to the tax roll, which is not based on an ad valorem tax rate.

When assessment proceedings are taken under the Municipal Improvement Act of 1913, improvement bonds may be issued under either of two statutes—the Improvement Act of 1911 or the Improvement Bonds Act of 1915. The Municipal Improvement Act of 1913 is not a bond act (Streets & Highway (S&H) Code §10000). The 1913 Act is used to create a **lien** against the property and, if not bonded, is collected by the authorizing local agency rather than on the tax roll.

There are some key differences between 1911 and 1915 Act Bonds:

1911 Act Bonds – A chief characteristic of 1911 Act bonds is that an individual bond is issued to represent each parcel's unpaid **assessment** and is a lien on the property. The Treasurer will bill separately or use the tax roll for collection. The funds of 1911 Act bonds are restricted to improvements for streets, highways, roads, alleyways, etc. Generally, 1911 Act Bonds are not authorized to be placed on the tax roll. Instead, they are generally collected by the County Treasurer.

1915 Act Bonds – The total of the unpaid assessments is a lien on the property, which is security for the bonds issued. The annual installments of principal, interest and administrative fee are placed on the secured tax roll for collection. The total amount levied on all parcels equals the annual debt service requirement due on the outstanding bonds (S&H Code §8500 et seq.). The proceeds from 1915 Act Bonds may be used for

any improvement to the parcels within the district and do not have the restrictions noted above for the 1911 Act bonds.

Property Assessed Clean Energy (PACE) bond programs created by AB811 (Chapter 159, Statutes of 2008) and AB474 (Chapter 444, Statutes of 2009) allow for a specific subtype of 1915 Act Bonds for **voluntary contractual assessments**. PACE 1915 Act Bonds are authorized via a legislative body of a public agency opting into the use of voluntary contractual assessments that sponsor financing for improvements related to renewable energy sources and energy efficient improvements. The public agency may create and run a PACE 1915 Act Bond program or opt into one of several existing JPA-operated PACE 1915 Act Bond programs throughout the state. The public agency must adopt a Resolution of Intention, identify projects that may be financed, boundaries for the project area and a description of the proposed financing arrangements. PACE 1915 Act Bonds can be used for residential, commercial, industrial or other real property improvements. Assessments may only be levied with the voluntary consent of the property owner. While PACE 1915 Act Bonds provide property owners with an accessible means to finance eco-friendly enhancements, the Federal Housing Finance Agency (FHFA) has expressed concerns regarding PACE 1915 Act Bonds super-priority over Fannie Mae's and Freddie Mac's pre-existing first-lien statuses (see Exhibit D).

METHODOLOGY

The Auditor's Office may be involved in the following: the formation of the district, reviewing legal documents, balancing the unpaid assessment listing, reviewing/awarding bond sale bids, paying annual principal and interest, calling bonds prior to maturity, maintaining all funds, calculating payoffs (Exhibit C), charging each parcel an annual amount on the tax roll. The Auditor is not statutorily required to do all of these activities, but may do so under an agreement with the authorizing local agency.

Funds commonly used to administer 1911 Act and 1915 Act Bonds include:

Construction Fund - the proceeds from the sale of bonds are deposited into this fund and are used to pay for the cost of construction and all miscellaneous cost incurred for bond issuance. Refer to S&H Code §10427 for the distribution of any remaining balance after all construction costs have been paid.

Reserve Fund – The amount, as determined at time of issuance, is based on a percentage of the total issue, not to exceed 10%, to be used for 1) reducing the amount to taxpayers paying off their assessments 2) retire final principal and interest payments 3) to cover annual debt payments in the event of delinquencies (S&H Code §8880 et seq.).

When a property owner pays off his assessments, an amount is transferred from the **reserve fund** to the **redemption fund** (S&H Code §8884). This amount represents a ratio of the original reserve fund to the original bond issue (S&H Code §8881). For example, if the assessment were originally inflated by a 5% reserve requirement that equaled \$500, a \$500 reduction would apply when calculating a payoff. (Note: The reserve amount would remain the same unless there are interest earnings that remain in the reserve fund or there has been a reduction for delinquency not yet reimbursed.)

Redemption Fund – The Treasurer or designated paying agent shall keep a redemption or debt service fund named for the bonds issued. All sums received from the collection of the assessments are deposited into this fund and will be used for paying principal and interest, redemption premium, and paying agent fees.

The Auditor will receive a record showing any installments of principal and interest on the assessments that are to be collected annually during the term of the bonds. To cover the estimated cost of collection, a maximum of 5 percent of the principal and interest added to the roll (not to exceed \$8.00 per installment) may be added (S&H Code §8682(b)).

An alternative procedure for collecting assessments may also be stipulated in the bond resolution (S&H Code §8762). In lieu of a document being provided with all installments of principal and interest for each parcel for each year, an amount is calculated yearly, using a percentage applied to each parcel's outstanding principal and interest to derive the equivalent amount of debt payment due.

Any assessment may be paid in full by depositing with the treasurer the total unpaid balance (S&H §8687 and §8766). It is the authorizing agency's responsibility to release the lien. An example of what needs to be included in calculating a payoff is reflected in Exhibit C.

Payoffs deposited into the redemption fund will create a surplus which may be used to call bonds prior to maturity (S&H Code §8750 et seq).

When a change occurs to the legal description of a parcel, the assessment may need to be reapportioned. This is called a **segregation**. If an original parcel splits into multiple parcels or original parcels combine, the engineer allocates the pro-rata share for each new parcel or totals those parcels being combined. The annual assessment amount for each remaining year is recalculated (S&H Code §8730).

ADDITIONAL CONSIDERATIONS

Proposition 218 procedures are generally required for 1911 Act and 1915 Act Bonds. An exception exists for PACE 1915 Act Bonds, since they are a voluntary contractual contract (S&H Code §5898.31).

Many Assessment District bonds may be subject to judicial foreclosure prior to the normal tax sale date depending on the instrument of issuance.

Delinquent 1915 Act Bond assessments are not eligible for inclusion in a Permanent Installment Plan if the local agency has a foreclosure covenant on behalf of the bondholder (R&T Code §4186). Taxpayers may request to pay the assessment separately to allow a Permanent Installment Plan be established for the remaining delinquent taxes.

RELATED TOPICS

Direct Charges

COUNTY OF OZ
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER DIVISION
SUNRISE AND CORDOVA CONSOLIDATED REASSESSMENT DISTRICT

PAYOFF CALCULATION

DATE :		05/09/01
NEXT CALL DATE: (30+ days)		09/02/01
ASSESSMENT NUMBER:	*	1877
PARCEL NUMBER	*	072-0430-062-0000
ORIGINAL INDIVIDUAL ASSESSMENT:		7,154.14
PRINCIPAL OUTSTANDING:		5,851.10
SHARE OF ORIGINAL RESERVE		(715.41)
CALL PREMIUM - 3%		175.53
INTEREST TO NEXT CALL		150.94
ADMINISTRATIVE COST		73.40
<u>ASSESSMENT PAYOFF</u>		5,535.56

***PLEASE VERIFY PARCEL # AND ASSESSMENT #**
THIS CALCULATION VALID THROUGH (40 days before call date) 07/24/01

The assessment payoff amount includes the 2000/01 bond
installment that appears on the 2000/01 tax bill sent in October 2000

Exhibit C



Statement

Statement of the Federal Housing Finance Agency on Certain Super Priority Liens

FOR IMMEDIATE RELEASE

12/22/2014

Today, the Federal Housing Finance Agency (FHFA) is alerting homeowners, financial institutions, and state authorities of the agency's concerns with state-level actions that threaten the first-lien status of single-family loans owned or guaranteed by Fannie Mae and Freddie Mac. In particular, FHFA is concerned about state actions to create super-priority liens in two instances: 1) through certain energy retrofit financing programs structured as tax assessments and 2) through granting priority rights in foreclosure proceedings for homeowner associations. In issuing this statement, FHFA is acting in furtherance of its statutory obligations as regulator and conservator of Fannie Mae and Freddie Mac.

The existence of these super-priority liens increases the risk of losses to taxpayers. Fannie Mae and Freddie Mac, while operating in conservatorship, currently support the housing finance market by purchasing, guaranteeing, and securitizing single-family mortgages. One of the bedrock principles in this process is that the mortgages supported by Fannie Mae and Freddie Mac must remain in first-lien position, meaning that they have first priority in receiving the proceeds from selling a house in foreclosure. As a result, any lien from a loan added after origination should not be able to jump in line ahead of a Fannie Mae or Freddie Mac mortgage to collect the proceeds of the sale of a foreclosed property. However, as is detailed below, FHFA is concerned by some liens being advanced to "super-priority" status over Fannie Mae and Freddie Mac first-lien mortgages.

Energy Retrofit Financing Programs Structured as Tax Assessments

While FHFA fully supports energy retrofit financing programs to allow homeowners to improve energy efficiency, these programs must be structured to ensure protection of the core financing for the home and, therefore, cannot undermine the first-lien status of Fannie Mae and Freddie Mac mortgages. Some entities and localities are advancing the argument that single-family energy retrofit financing programs that are structured to make loans through the homeowner's property tax assessment and require that borrowers repay their loans as part of their property tax bill should have priority over all other loans, including pre-

<http://www.fhfa.gov/media/PublicAffairs/Pages/Statement-of-the-Federal-Housing-Finance-...> 3/5/2015

existing Fannie Mae and Freddie Mac mortgages.¹ One such program is known as the Property Assessed Clean Energy (PACE) program, which often provides loans as first-liens and is offered in California and in some other states. Localities offering these PACE loans threaten to move existing Fannie Mae and Freddie Mac mortgages to a second lien position and increase the risk of loss to the Enterprises and, by extension, to taxpayers.

In issuing this statement, FHFA wants to make clear to homeowners, lenders, other financial institutions, state officials, and the public that Fannie Mae and Freddie Mac's policies prohibit the purchase of a mortgage where the property has a first-lien PACE loan attached to it. This restriction has two potential implications for borrowers. First, a homeowner with a first-lien PACE loan cannot refinance their existing mortgage with a Fannie Mae or Freddie Mac mortgage. Second, anyone wanting to buy a home that already has a first-lien PACE loan cannot use a Fannie Mae or Freddie Mac loan for the purchase. These restrictions may reduce the marketability of the house or require the homeowner to pay off the PACE loan before selling the house.

FHFA believes it is important for states and municipalities to understand these restrictions before continuing to offer the programs. Additionally, FHFA believes that borrowers should fully understand these restrictions prior to taking out a first-lien PACE loan.

In addition to aggressive enforcement of these existing policies, FHFA is continuing to explore other possible remedies and legal actions to protect the Enterprises' lien position in response to first-lien PACE programs.

Homeowner Association Priority Status

FHFA is aware that, in certain jurisdictions, liens for unpaid homeowner association ("HOA") dues may be deemed to be senior to preexisting mortgage liens on a homeowner's property. As a result, on December 5, 2014, FHFA and Fannie Mae filed an action in federal court in Nevada, seeking a determination that a HOA's foreclosure sale is invalid and contrary to federal law to the extent that it purports to extinguish Fannie Mae's property rights. *Federal National Mortgage Association v. SFR Investments Pool 1, LLC*, No. 2:14-cv-02046 (D. Nev. December 5, 2014). FHFA has also intervened in *Saticoy Bay, LLC Series 1702 Empire Mine v. Federal National Mortgage Assoc.*, No. 2:14-cv-01975 (D. Nev.), seeking a declaration that a prior HOA foreclosure sale is invalid to the extent that it purports to extinguish Fannie Mae's property interests.

These FHFA actions are based on federal law which precludes involuntary extinguishment of liens held by Fannie Mae or Freddie Mac while they are operating in conservatorships and bars holders of other liens, including HOAs, from taking any action that would extinguish a Fannie Mae or Freddie Mac lien, security interest or other property interest. Specifically, Title 12 USC Section 4617(j)(3) states that "[no] property of the Agency shall be subject to levy, attachment, garnishment, foreclosure, or sale without the consent of the Agency, nor shall any involuntary lien attach to the property of the Agency." FHFA is authorized, as conservator, to bring this suit because Enterprise lien interests in collateral constitute property protected by this provision.

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FHFA has an obligation to protect Fannie Mae's and Freddie Mac's rights, and will aggressively do so by bringing actions to void foreclosures that purport to extinguish Enterprise property interests in a manner that contravenes federal law.

1 PACE financing programs can be structured as secondary liens that stand behind the original mortgage and do not threaten the priority status of Enterprise loans.

###

The Federal Housing Finance Agency regulates Fannie Mae, Freddie Mac and the 12 Federal Home Loan Banks. These government-sponsored enterprises provide more than \$5.6 trillion in funding for the U.S. mortgage markets and financial institutions.

Contacts:

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<http://www.fhfa.gov/media/PublicAffairs/Pages/Statement-of-the-Federal-Housing-Finance-...> 3/5/2015

Exhibit D

Part 4

MELLO-ROOS SPECIAL TAX BONDS

INTRODUCTION

The ***Mello-Roos Community Facilities Act of 1982*** (Government (Gov) Code §53311 et seq.) authorizes the creation of a ***community facilities district (CFD)*** and non-ad valorem Mello-Roos special taxes which may be bonded. These types of bonds are commonly used to finance capital improvements. The bonds are paid for by the levy of an annually specified amount which is added to the tax bill as a Direct Charge.

Senate Bill (SB) 1122, chaptered in 2001, requires that certain disclosures be made by the seller to the buyer upon the transfer of ***real property*** that has Mello-Roos (Civil Code §1102.6(b), Gov Code §§53340.2 and 53754). It also requires the authorizing ***local agency*** to provide certain information and disclosures upon request.

Mello-Roos Districts provide local agencies with a vehicle for financing the construction or acquisition of real or tangible property. It also allowed schools, police, fire, and other services to be financed to accommodate the growing needs of developing areas. Overall, Mello-Roos allows for the funding of a wider variety of capital improvements and services with more flexibility than allowed by other financing methods, such as the Improvement Bond Act of 1915.

Senate Bill (SB) 1464 (Chapter 772, Statutes of 1992) imposed new restrictions and guidelines on the use of a Community Facilities District (CFD) or ***School Facilities Improvement Districts (SFIDs)***. SB1464 directly affects agencies with outstanding Mello-Roos bonds and those districts forming CFDs after January 1, 1993.

MAIN TOPIC

Mello-Roos districts generally provide for an alternative method of financing certain public capital facilities and services such as: police protection services, fire protection, recreation program services, library services, flood control, maintenance of parks, etc. A Community Facilities District (CFD) may be established and levy a special tax upon property within the specified CFD area. (Any school district or community college district that has a schools community facilities district formed can issue general obligation bonds pursuant to Education (Ed) Code §15300.) The proceeds of the special tax are used to finance capital improvements. As with assessment bonds, Mello-Roos bonds are payable from a dedicated revenue source (special taxes) over and above rates and charges, connection fees and standby or availability charges. The formation of a CFD is a lengthy and complex process and the voter-approved requirement may be difficult to obtain. The statutes that govern this process are discussed below in this section. Senate Bill (SB) 555 (Chapter 493, Statutes 2011) expanded the provisions of CFDs to include the authorization for ***Property Assessed Clean Energy (PACE) bond*** programs. These Mello-Roos PACE bonds finance or refinance the installation of improvements related to energy efficiency, water conservation and renewable energy regardless of whether or not the property is owned publicly or privately (installations to be made on privately owned property must receive the prior, voluntary consent of the owner). SB555 also authorizes an alternate procedure for forming a CFD that may initially include only territory proposed for annexation in the future. These properties may only be subjected to the special tax

with the unanimous approval of the property owner(s). While Mello-Roos PACE bonds provide property owners with an accessible means to finance eco-friendly enhancements within the structure of a Mello-Roos District, the Federal Housing Finance Agency (FHFA) has expressed concerns regarding super-priority liens over Fannie Mae's and Freddie Mac's pre-existing first-lien statuses (see Exhibit D in Part 3).

The following Government Code sections are applicable:

- §53311-§53317.5 covers the general provisions of the Mello-Roos CFD.
- §53318-§53329.5 are the proceedings to create the CFD. §53345-§53365.7 gives direction for issuing bonds by the CFD.

METHODOLOGY

The special tax levied by a CFD may only be levied within a specified defined area. The area does not need to be contiguous or follow existing jurisdictional boundaries. The flexibility in determining this boundary, and in that process to arrange for boundaries to contain inhabited versus uninhabited land, has enormous potential significance regarding the passage of the special tax. Because Mello-Roos is a special tax, it requires two-thirds vote of the "qualified electors" under Section 4 of Proposition 13. The definition of "qualified electors", *specifically for Mello-Roos special taxes (Gov Code §5326)e, depends upon whether the area within the proposed CFD is inhabited or uninhabited.*

1. If the CFD is inhabited (12 or more registered voters reside within the CFD), the qualified electors are the registered voters;
2. Otherwise, the qualified electors are the owners of property within the CFD with each owner receiving one vote for each acre or portion of an acre owned.

It is very common for the landowners to be the qualified electors. It is also very common for these landowners to be developers.

The proceeds from the bonds or special tax may only be used to finance facilities and services, which are both authorized by the Mello-Roos Act and specified at the time the CFD is formed.

There is flexibility in designing the **Special Tax Formula** allowing for criteria such as per acre, per parcel or per size of building. Developed/undeveloped is a commonly used criteria, where developed is defined as the issuance of a building permit. The tax must, in every case, have a stated maximum; but it can reflect any reasonable public policy or development consideration in terms of how and when the taxes are to be levied. The only legal constraints in developing the special tax formula are that it must have a reasonable basis and cannot be a function of the assessed value of the property being billed.

A special tax may be used to pay the following:

1. Directly for facilities (pay-as-you-go);
2. Directly for services (pay-as-you-go);
3. For debt service on bonds used to finance facilities;
4. For any combination of the above.

The Mello-Roos Act permits a prepayment mechanism, but it must be defined in the legal documents.

ADDITIONAL CONSIDERATIONS

Proposition 218 does not affect the Mello-Roos Act since it is a special tax with a two-thirds vote required. However, the Special Tax and Bond Accountability Act does apply (Gov Code §53410 et. seq.).

Judicial foreclosure may be made prior to the normal tax sale date depending on the issuance documents.

Delinquent Mello-Roos special taxes are not eligible for inclusion in a Permanent Installment Plan if the local agency has a foreclosure covenant on behalf of the bondholder (R&T Code §4186). Taxpayers may request to pay Mello-Roos special taxes separately to allow a Permanent Installment Plan be established for the remaining delinquent taxes.

Tax Levy Process Section Chapter B-10

OVERVIEW OF TAX LEVY PROCESS

INTRODUCTION

The annual initial tax **levy** process is composed of many steps that may occur simultaneously. Details of each major step are individually discussed in the various chapters of this manual (particularly Section B). This chapter is intended to provide a high-level overview of the process and its timing, along with an understanding of how to effectively manage and merge the individual steps to ultimately create the initial **secured** and **unsecured** tax rolls, statutory reporting, and **AB 8 allocations** and **apportionment**. Exhibit 1 contains a graphic of the basic processes and their interactions with each other.

MAIN TOPIC

The basic goal of the initial tax levy is to take the **assessment roll** information for each **parcel**, apply the applicable **tax rate** to the **net taxable value**, then add the **direct charges** to arrive at the total tax liability that is placed on the tax roll for the Tax Collector to print, mail, and collect.

The steps and timing to create the initial secured and unsecured tax rolls are statutory. For the most part, the processes are similar. However, there are distinct differences which are noted throughout this chapter. Revenue and Taxation (R&T) Code has a specific order of activities: Part 2 is for Assessment, followed by Part 3 for Equalization, followed by Part 4 for Levy of Tax, and then Part 5 for Collection of Taxes. These items are effectively in chronological order. This chapter discusses summarized components within Parts 2, 3, and 4. The **supplemental tax** roll is not included in this chapter's discussion, since it has its own process as codified in R&T Code Section 75 et seq.

METHODOLOGY

TRA Structure (Chapter D1)

While the Assessor is busy producing the **local roll** based on the January 1 **lien date** for delivery on July 1, the **State Board of Equalization (BOE)** is finishing the **jurisdictional changes** to the **tax rate areas (TRAs)**. The BOE Tax Area Services Section (TASS) of the Property and Special Taxes Department accepts filings as late as the previous December 1 for the upcoming fiscal year. The BOE processes the filings throughout the year as they are received. Normally the BOE completes the processing by early February of each year allowing each county an opportunity to review the changes for accuracy and completeness. By the middle of April, the BOE will consider the TRA changes finalized and will publish the **tax rate area code chart** (AKA **blue line**) for the upcoming tax year. While some county's property tax systems may not allow TRA changes to the upcoming year's **tax structure** to be input until July 1, staff of the County Auditor and Assessor should review the State BOE TASS Tax Rate Area

Code Chart and TRA Change Notices prior to the middle of April and notify the BOE of any errors.

As soon as the BOE's TRA structure has been validated, it may be set up in the county's property tax system for the upcoming year. Thus, this is a task that may be completed prior to July 1. For counties with systems which prohibit TRA changes to be input until July 1, it should be done as soon as the county's property tax system allows.

Equalized Roll (Chapter B4)

The **equalized roll**, upon which the tax roll is extended, must normally be completed by August 20 (R&T Code §§2050-2055). The equalized roll is the sum of three items: the local roll; the BOE's **board roll**; and any **roll corrections** made in the month of July by the County **Assessment Appeals Board (AAB)** (R&T Code §§2050-2055). Each of these three items and their parameters is discussed below.

The first component of the equalized roll is the local roll, which includes both secured and unsecured property. The Assessor must turn over the local roll to the Auditor by July 1 (R&T Code §§601, 602, 616, and 617), unless an extension is granted by the BOE (R&T Code §155). The maximum time extension that may be granted is 30 days (or 40 days in the case of public calamity), meaning the Assessor must turn over the local roll by no later than July 31 (or August 10 in the case of public calamity), even with BOE approval. It is extremely important to note that the Assessor has no authority to make changes to the local roll, once it has been turned over to the Auditor, that affect the equalized roll. Assessor roll corrections are a component of the corrected roll but not a component of the equalized roll (R&T Code §1646 et seq. and §2050 et seq.). Assessor roll corrections processed after the delivery of the local roll may or may not be included in the assessed values at the time of the tax roll extension, which are authorized by Part 9 of the R&T Code.

The second component of the equalized roll is the BOE's board roll, which adds assessments to the secured portion of the local roll. The board roll must be delivered by July 31 (R&T Code §§755 and 756), although it is often received earlier. Generally, roll corrections to the board roll aren't included in the equalized roll (R&T Code §861 et seq.). An exception exists for roll corrections of certain publicly owned property (R&T Code §§1840-1841) which do change the local roll prior to extension, except for the purpose of computing any debt limit referred to in R&T Code §2052, and cause a modification of the equalized roll and its deadline (R&T Code §2053).

The third, and final, component of the equalized roll is the County AAB's roll corrections made in the month of July to the current local roll (R&T Code §§1614, 1646.1, 2052, 2055, and 2152). These changes are not the same as non-AAB roll corrections from the Assessor. Normally these County AAB roll corrections must be processed by the Auditor by August 15 to create the equalized roll (R&T Code §1646.1, §§1647 & 2052).

Some county Assessors may deliver the local roll prior to July 1, particularly for the unsecured portion of the local roll (R&T Code §617). Statutes allow for the unsecured tax roll to be extended upon receipt of the local roll (R&T Code §§1646, 1651, 2152, 2909.1, and 2910.1) rather than waiting for the equalized roll. For this reason, the Auditor is directed to extend the tax roll using the prior year's tax rates (R&T §2905).

Jurisdictional Assessed Values (Chapter B3)

As soon as the equalized roll is available, the Auditor should merge it with the TRA structure to calculate the ***jurisdiction's*** assessed values. These values are reported to the BOE on the BOE-822 Report normally by August 15 to avoid a civil penalty of \$1,000 (R&T Code §§1647-1650). In certain circumstances, the jurisdictional assessed values are required to be reported directly to the jurisdictions by certain dates (e.g. Water Code §72111). Although only some jurisdictional assessed values are required to be reported, most Auditors prepare jurisdictional values for all of the jurisdictions. These values are used for various purposes including calculating ***debt service tax rates*** (e.g. Government (Gov) Code §29100 et seq.).

The jurisdictional assessed values are commonly made readily available for access by both the districts and the public. Some counties publish jurisdictional assessed values on their website. Others include it in their budget books.

Debt Service Tax Rates (Chapter B1)

The debt service tax rates must be adopted by the Board of Supervisors (BOS) on or before October 3 (Gov Code §29100). However, absent an extension in time from the State Controller, the latest the Auditor may deliver the secured tax roll to the Tax Collector is either by the 4th Monday in September or October 16 (R&T Code §2601). If operating off the 4th Monday in September deadline, it may potentially conflict with the above October 3 deadline presuming the goal is to have the Board of Supervisors approve the current year debt service tax rates prior to creating the tax roll.

The debt service tax rate computation should use the equalized roll. However, it is often the last component available to enable the calculation. Some counties manage the calculation process by pre-loading the remaining available components (e.g. fund balance available, current year requirement, delinquency allowance, and other revenue sources) into their debt service tax rate “calculator”.

Counties that have joint county districts for which they must provide jurisdictional assessed values to the ***county of control*** should pay particular attention to the deadlines for producing the equalized roll to enable timely reporting to the county of control thereby preventing a snowball effect on other counties' ability to produce timely tax rolls.

Additionally, the debt service tax rates need to be reported to the State Controller by December 1 (Gov Code §29100.6).

Direct Charges (Chapter B2)

Generally, jurisdictions have a statutory requirement to complete the delivery of their duly-authorized ***direct charges*** to the Auditor by August 10 (Gov Code §26911). The Auditor is responsible for the ministerial duty of adding those direct charge levies, which are timely and accurately delivered, to the tax roll. In certain cases, the Auditor may be authorized to provide for an extended period of time for the jurisdictions to complete the delivery of the direct charges.

For many counties, the direct charge process starts on July 1 or as soon as the Assessor has delivered the local roll. The direct charge process typically lasts for several weeks as each jurisdiction's levies are submitted to be processed into the tax roll.

Typically the direct charge process occurs simultaneously with, yet independent from, other activities such as debt service tax rate calculations or jurisdictional values.

Extend the Tax Rolls (Chapter B5)

The extended tax roll combines previously discussed items into tax levies:

- Tax structure
- Equalized roll (without Assessor roll corrections (R&T Code §§1601-2125 and §§2151-2152.5))
- Debt service tax rates (current year rates for secured and prior rates for unsecured)
- Direct charges (typically secured tax roll extension only)

There is no specific statutory date on which the Auditor must extend the secured tax roll. However, the secured tax roll could be extended as early as August 11 after the direct charges are finished if the equalized roll is already completed. Secured extension must occur at the latest by either the 4th Monday in September or October 16 (R&T Code §2601).

Likewise, there is no specific statutory date on which the Auditor must extend the unsecured tax roll (R&T Code §2909.1). However, unsecured extension may occur immediately upon receipt of the local roll which could be prior to July 1 (R&T Code §§1646, 1651, 2152, and 2910.1). Ideally, the extension and mailing should be completed by July 31 to provide the normal August 31 statutory deadline (R&T Code §2922). If the unsecured tax roll is extended and mailed after August 1, then the delinquency date is extended until the last day of the month following enrollment (R&T Code §2922(b)). It is common to extend unsecured taxes in early July shortly after the local roll has been delivered by the Assessor.

AB8 Allocation Process (Chapter D1 – D6)

The equalized roll is used to calculate the annual tax increment component of the AB8 allocations (R&T Code §96.5), exclusive of the aircraft and state assessed unitary property assessed values. These two property types are not included in the AB8 apportionment factor calculation as they each have their own unique apportionment factors per R&T Code §§5451-5456 and §100 respectively. Since the equalized roll is normally available no later than August 20, the AB8 allocation calculations may commence as early as mid-August. However, certain counties may have system limitations that prevent initiating the AB8 calculations until perhaps a point in time when the tax roll is created.

The tax structure is also needed, as well as the **TRA allocation factors**, which should normally be available prior to July 1.

Unitary Factor Process (Chapter B6)

Certain portions of the tax structure, equalized roll, and jurisdictional assessed values are feeder components necessary to calculate the various **unitary factors** for the tax allocation associated with certain parts of the BOE's board roll. Since the equalized roll is normally available no later than August 20, the unitary factor calculations may commence as early as mid-August. However, certain counties may have system limitations that prevent initiating the unitary factor calculations until perhaps a point in time when the tax roll is created.

Redevelopment Agency Tax Increment and Pass-throughs (Chapter E3 – E5)

Certain portions of the tax structure, equalized roll, jurisdictional assessed values, and if applicable, the debt service tax rates are feeder components necessary to calculate a **Redevelopment Agency's (RDA)**:

- **Redevelopment Agency Tax Increment (RDATI)**
- Pre-**AB1290 pass-throughs**
- Post-AB1290 pass-throughs

These feeder components may be available as early as August 20, when the equalized roll is normally created. As soon as these feeder components are available, the RDA calculations may commence. However, certain counties may have system limitations that prevent initiating the RDA calculations until a point in time when the tax roll is created.

Reports & Claims (Chapter F6)

Various State agencies require counties to report or claim specific information from the secured and unsecured tax rolls, jurisdictional assessed values, debt service tax rates, AB8 allocation process, unitary factor process, RDATI, and RDA pass-throughs. Examples of required reporting include the Annual Report of Property Taxes (LGRS 200-206) and the Property Tax Loss Reimbursement Claim due to the **homeowner's exemption**.

Compilation of some reports and claims may begin prior to creation of the equalized roll. Other reporting and claims cannot be started until after the equalized roll or tax roll is created.

ADDITIONAL CONSIDERATIONS

The Auditor and Tax Collector may request an extension for any official act up to 30 days (or 40 days in the case of public calamity) (R&T Code §155.3). A request for an Auditor or Tax Collector time extension is granted by the State Controller, rather than the State Board of Equalization.

Organizing a timeline (including potential checkpoints and chokepoints) can assist in completing the tax levy process efficiently and effectively. The timeline should include a "Plan B" for the various processes and potential chokepoints (e.g. occurrence of a public calamity pursuant to R&T Code §155).

The statutory deadlines provide the “final date” that the various tasks can be completed. Except for the direct charges, there are no statutes that prohibit the various tasks from being completed much earlier than the deadlines when conditions allow. There are counties who routinely begin collecting on their secured roll by mid to late August of each year.

It is in the public interest to process the various steps of the tax levy process timely and without delay. Many parties may be eager for the tax rolls to be made available to the public for the following reasons:

- Sellers/buyers/title companies.
- Companies who impound or escrow property taxes.
- Property owners who need a current year tax bill to have adjustments made to their impounded or escrowed property taxes.
- Property owners who want to budget accordingly for upcoming payments.
- Property owners who want to pay their bill immediately upon availability.
- Taxing jurisdictions who want improved cash flow receipts for collected taxes and direct charges.
- Taxing jurisdictions who want to determine the amount of their AB8 allocations.
- Assessor’s staff who are waiting to begin roll corrections.

RELATED TOPICS

Flow Chart of Property Tax Activities

Debt Service Rates

Direct Charges – bonds (1915 Act, Mello-Roos), parcel charges, Prop 218

Jurisdictional Assessed Values

Assessment Rolls

Tax Extensions: Secured & Unsecured

Unitary & State Assessed Property

Tax Roll Changes

District Master File, TRA Code Chart

Jurisdictional Changes

Calculation of Annual Tax Increment (ATI)

TEA – No / Low Cities

ERAF – Educational Revenue Augmentation Fund

Calculation of Supplemental Apportionment Factors

RDA Annual Tax Increment (ATI)

RDA Pre-AB 1290 Pass-Throughs

RDA Post-AB 1290 Pass-Throughs

Calendar

Various State Reports & Claims

Affidavits

Exhibit 1 Tax Levy Process Overview (with Chapter Cross-References)

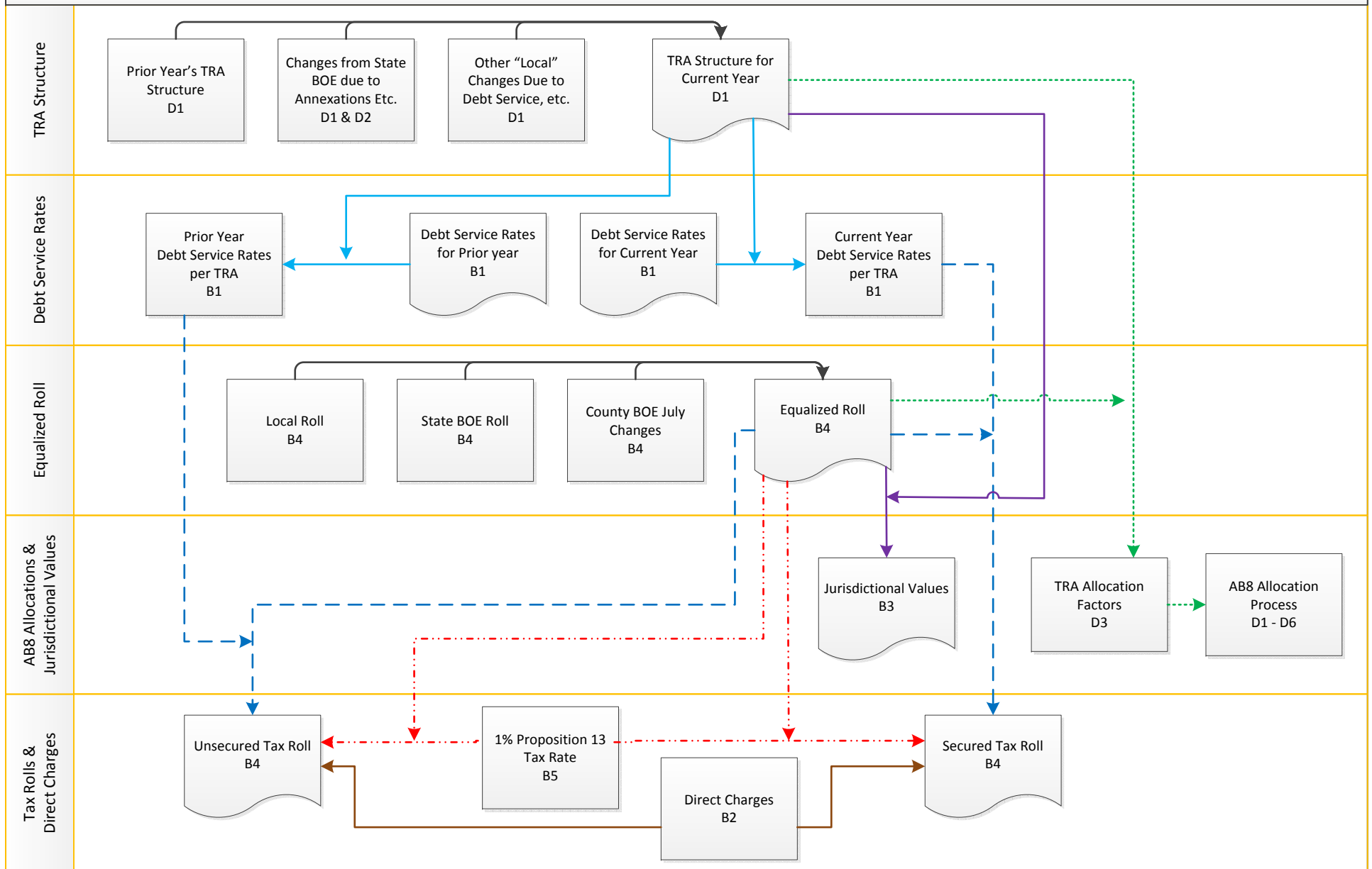


Exhibit 1
B10 - 7

Roll Maintenance Section
Chapter C-1

APPORTIONMENT OF TAXES AND SUBVENTIONS

INTRODUCTION

Apportionment is the process to distribute property tax and **subvention** revenues and/or collections. Revenue and Taxation Code generally provides for the manner in which property taxes and subventions are apportioned to the appropriate **taxing jurisdictions**. The calendar in Table A provides for the timing and frequency of these distributions.

There are two methods of apportionment. The alternate method of apportionment is commonly referred to as the **Teeter** plan. For the purposes of this chapter, the other method is referred to as non-Teeter.

Apportionments may be based on collections, adjusted **levy**, or a combination of the two. Most counties have adopted some form of the alternate methodology of apportioning taxes (Teeter plan) (R&T Code §4701 et seq.). The information contained within this chapter is the general practice. Some counties may have unique legislation, court cases, or agreements that differ from the general practice.

MAIN TOPIC

Table A provides a matrix of the various types of apportionments performed during the year. The table identifies the treatment for the various components for each type of apportionment and related code sections.

METHODOLOGY

Most apportionments are distributed based on the current or prior year **apportionment factors** whose calculations are described in the following chapters: Calculation of Annual Tax Increment; ERAF; Unitary; Supplemental Roll Maintenance; and RDA. However, legislation also provides for other distribution methods of certain property taxes and subventions. All apportionments are outlined in Table A.

As a general rule, for those defaulted taxes/**direct charges** using the Teeter method of apportionment, the revenue distribution was made in a previous **fiscal year** at the time of the levy. Thus, any collections made after default, on the secured **delinquent roll/redemption roll** are distributed to the **apportioned taxes resource fund** and **tax losses reserve fund**.

Exhibit 1 outlines a generic apportionment of taxes whether using the Teeter or the non-Teeter method. Before apportionment of the **1% general tax** can occur, **debt service**,

penalties, direct charges, and any other charges must be separated and apportioned to their respective taxing agencies or bond funds.

Exhibit 2 illustrates an apportionment of cash collections, net of refunds, for the non-Teeter method. Adjustments for refunds may be completed at year-end or more frequently during the year, depending on county policy.

Exhibit 3 details an apportionment of adjustments made to the levy for the Teeter method. This includes refunds and **roll corrections** to both the **current roll** and the **delinquent roll**. Adjustments may include certain **mobile homes** and **possessory interest** (not secured by land), as determined by the assessor, which are initially billed on the secured roll, and if unpaid at the end of the roll year, are moved to the **delinquent unsecured roll** (see Tax Roll Changes, Part 8 for details and applicable code references). Counties using the Teeter apportionment method may need to perform a **reverse apportionment** for these items depending on county policy. Redevelopment tax increment calculations may also be affected by roll corrections. Refer to the **Redevelopment Annual Tax Increment (RDATI)** Chapter for more information.

Unsecured collections and **Homeowners Exemption Relief Claim** monies are distributed using the same methodology as both Exhibits 1 and 2, because they are not Teetered.

Unless otherwise noted, this chapter makes a presumption that the 10% penalty, cost, 1½% **redemption penalty**, 1½% **interest**, and **redemption fee** are distributed based on collections even though the tax/direct charges may be Teetered.

Unless noted otherwise, this chapter presumes “direct charges”, as indicated in Table A, are items not determined by the application of an **ad valorem tax rate**.

ACCOUNTING TREATMENT

Review your county’s specific procedures before apportioning property taxes. See the “Accounting Controls” chapter for specific entries.

RELATED TOPICS/CHECKLISTS

Teeter & Alternate Methodology

Accounting Controls

Accounting Standards and Procedures Manual, Chapter 18 - Summary Chart of Tax Apportionments

RDA Section E

TABLE A
MATRIX FOR APPORTIONMENT OF TAXES
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See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

TABLE A

MATRIX FOR APPORTIONMENT OF TAXES

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
1 – Secured Tax Roll – Current Year Roll for Current Year Charges and Current Year Escapes					
1% unitary tax (counties may elect to transfer to Unsecured)	Use current year unitary factors . Note: Unitary factors differ from AB 8 factors.	Distribute 100% of the levy during the current fiscal year .	§100; §4705; §4708	Distribute reported collections for the apportionment timeframe.	§100; §4653.4 §760(b)
Unitary debt service	Use the current year unitary debt service factors .	Distribute 100% of the levy during the current fiscal year.	§4705; §4708; §100(d)	Distribute reported collections for the apportionment timeframe.	§93; §100(d); §4653.4
1% general tax	Use the current year AB8 factors .	Distribute 100% of the levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4653.4
Debt service	Use the current year secured debt service factors .	Distribute 100% of the levy during the current fiscal year.	§100; §4705; §4708; GC§29100	Distribute reported collections for the apportionment timeframe.	§93; §4653.4
10% delinquent penalty		To tax losses reserve fund after collection.	§4708; §4708(d)	Distribute reported collections to the county general fund for the apportionment timeframe. Exception: penalties on Mello-Roos distributed to Mello-Roos district.	§4653; §4653.6; Accounting Standards & Procedures Manual Chapter 18; City of Camarillo v County of Ventura (1994).

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
<i>1 – Secured Tax Roll – Current Year Roll for Current Year Charges and Current Year Escapes</i>					
Cost		To the county general fund after collection.	§4708	Distribute reported collections to a county fund for tax collector use for the apportionment timeframe.	§4653.8
<i>Direct charges</i>		Distribute 100% of individual <i>district's</i> levy during the current fiscal year.	§4705; §4656.1; §4656.3; §4708	Distribute reported collections to individual districts for the apportionment timeframe.	§4653; §4653.4
Penalty for failure to file property statement (R&T §463)	Causes a 10% increase in unreported <i>assessed value</i> . Use the current year AB8 factors.	Distribute 100% of levy during the current fiscal year.	§4705; §4708	Distribute reported collections for the apportionment timeframe.	§4653.4
Penalty for fraudulently causing an escape in property tax (R&T §504).	Causes a 25% increase in assessed value. Use the current year AB8 factors.	Distribute 100% of the levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4653.4

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
1 – Secured Tax Roll – Current Year Roll for Current Year Charges and Current Year Escapes					
.75% Interest added to tax for fraudulently causing an escape in property tax ((R&T §506).	Some counties consider this to be part of the 1% general tax and therefore apportion using the current year AB8 factors. Some counties consider this to be part of the total general taxes and therefore apportion using the current year AB8 factors and current year secured debt service factors. Some counties consider this to be part of penalty and therefore distribute to the county general fund.	Distribute 100% of the levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4653.4; §4653.6
Penalty for failure to provide change in ownership statements		Distribute 100% of levy to the county general fund during the current fiscal year.	§482; §4653.7	Distribute reported collections to the county general fund for the apportionment timeframe.	§482; §4653.7

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
<i>1 – Secured Tax Roll – Current Year Roll for Current Year Charges and Current Year Escapes</i>					
4 year pay plan (escape installment plan) (R&T §4837.5)	Penalty and cost aren't applied. May be distributed as collected or held until paid in full. Distribute as shown in Section 1 of this chapter (C1) of the Property Tax Manual.	Distribute the current year levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections to applicable taxing <i>jurisdictions</i> .	§96 et seq.; §4653 et seq.
Defaulted 4 year pay plan (escape installment plan) (R&T §4837.5)	Previous collections may be distributed as collected or held until paid in full. Distribute as shown in Section 1 of this chapter (C1) of the Property Tax Manual.	Distribute the remaining levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections to applicable taxing jurisdictions.	§96 et seq.; §4653 et seq.
<i>2 – Secured Tax Roll – Current Year Roll for Prior Year Secured Escapes</i>					
1% Unitary Tax	Use the current year unitary factors pursuant to §4653 and §4653.4. However, some counties use the actual year's unitary factors.	Distribute 100% of the levy during the current fiscal year.	§100; §4707; §4708	Distribute reported collections for the apportionment timeframe.	§100; §4653; §4653.4
Unitary debt service	Use the current year unitary debt service factors pursuant to §4653 and §4653.4. However some counties use the actual year's unitary debt service factors.	Distribute 100% of the levy during the current fiscal year.	§4705; §4708; §100(d)	Distribute reported collections for the apportionment timeframe.	§93; §100(d); §4653; §4653.4

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
<i>2 – Secured Tax Roll – Current Year Roll for Prior Year Secured Escapes</i>					
1% general tax	Use the current year AB 8 factors pursuant to §4653 and §4653.4. However some counties use the actual year's AB 8 factors.	Distribute 100% of the levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4653; §4653.4
Debt service	Use the current year secured debt service factors pursuant to §4653 and §4653.4. However some counties use the actual year's debt service factors.	Distribute 100% of the levy during the current fiscal year.	§100; §4705; §4708; GC§29100	Distribute reported collections for the apportionment timeframe.	§100; §4653; §4653.4
10% delinquent penalty		To tax losses reserve fund after collection.	§4708	To the county general fund after collection.	§4653; §4653.6
Cost		To the county general fund after collection.	§4708	Distribute reported collections to a county fund for tax collector use.	§4653.8
Penalty for failure to file property statement (R&T §463)	Causes a 10% increase in unreported assessed value. Use the current year AB 8 factors.	Distribute 100% of levy during the current fiscal year.	§4705; §4708	Distribute reported collections for the apportionment timeframe.	§4653.4
Penalty for fraudulently causing an escape in property tax (R&T §504).	Causes a 25% increase in assessed value. Use the current year AB 8 factors pursuant to §4653 and §4653.4. However some counties use the actual year AB 8 factors.	Distribute 100% of the levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4653; §4653.4

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
<i>2 – Secured Tax Roll – Current Year Roll for Prior Year Secured Escapes</i>					
.75% Interest added to tax for fraudulently causing an escape in property tax ((R&T §506).	Some counties consider this to be part of the 1% general tax and therefore apportion using the current year AB8 factors. Some counties consider this to be part of the total general taxes and therefore apportion using current year AB8 factors and current year secured debt service factors. Some counties consider this to be part of penalty and therefore distribute to the county general fund.	Distribute 100% of the levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4653; §4653.4; §4653.6
Penalty for failure to Provide change in ownership statements		Distribute 100% of levy to the county general fund during the current fiscal year.	§482; §4653.7	Distribute reported collections to the county general fund for the apportionment timeframe.	§482; §4653.7

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
<i>2 – Secured Tax Roll – Current Year Roll for Prior Year Secured Escapes</i>					
4 year pay plan (escape installment plan) (R&T §4837.5)	Penalty and cost aren't applied. May be distributed as collected or held until paid in full. Distribute as shown in Section 2 of this chapter (C1) of the Property Tax Manual.	Distribute the current year levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections to applicable taxing jurisdictions.	§96 et seq.; §4653 et seq.
Defaulted 4 year pay plan (escape installment plan) (R&T §4837.5)	Previous collections may be distributed as collected or held until paid in full. Distribute as shown in Section 2 of this chapter (C1) of the Property Tax Manual.	Distribute the remaining levy during the current fiscal year.	§96 et seq.; §4705; §4708	Distribute reported collections to applicable taxing jurisdictions.	§96 et seq.; §4653 et seq.
<i>3 – Supplemental Assessment Roll – Current Year Roll with Bills for Current Year Events & Prior Year Events</i>					
1% unitary tax	N/A	N/A	§75.14	N/A	§75.14
Unitary debt service	N/A	N/A	§75.14	N/A	§75.14

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
3 – Supplemental Assessment Roll – Current Year Roll with Bills for Current Year Events & Prior Year Events					
5% supplemental administration fee deducted from supplemental tax collections	Up to 5% of total supplemental tax collections (not reduced by refunds), but not to exceed the actual cost of administering the supplemental roll. Distribute to the county or the city/county as determined by the BOS to be used solely for the purpose of supplemental taxes administration pursuant to R&T §75.60.	Distribute 100% of the levy during the current fiscal year.	§75.60; §75.70; §4701(b)	Distribute reported collections for the apportionment timeframe.	§75.60; §75.70
Current year supplemental event 1% general tax	Use the current year supplemental factors .	Distribute 100% of the levy during the current fiscal year.	§4701(b); §75.60; §75.70; §4653.4	Distribute reported collections for the apportionment timeframe.	§75.60; §75.70; §4653.4
Prior year supplemental event 1% general tax	Counties have discretion to use the prior year supplemental factors for all prior year supplemental collections or use the actual year's supplemental factors.	Distribute 100% of the levy during the current fiscal year.	§4701(b); §75.60; §75.70; §4653.4	Distribute reported collections for the apportionment timeframe.	§75.60; §75.70; §4653.4

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
3 – Supplemental Assessment Roll – Current Year Roll with Bills for Current Year Events & Prior Year Events					
Debt service	For current year events, use current year secured debt service factors. For prior year events, counties have discretion to use either the prior year secured debt service factors or the actual year's debt service factors.	Distribute balance of 100% of the levy during the current fiscal year.	§100; §4705; §4708; GC§29100.	Distribute reported collections for the apportionment timeframe.	§100; §4653.4
10% delinquent penalty		To tax losses reserve fund after collection	§75.72; §4708	To the county general fund after collection.	§75.60; §4653; §4653.6
Cost		To the county general fund after collection.	§4708.	Distribute reported collections to a county fund for tax collector use.	§75.72; §4653.8
4 year pay plan (escape installment plan) (R&T §4837.5)	N/A	N/A.	§75.13; §4837.5	N/A.	§75.13; §4837.5

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
4 – Unsecured Roll – Current Year					
1% general tax	Use the current year AB 8 factors.	N/A	§4701.	Distribute reported collections for the apportionment timeframe.	§2905; §4655.2; CA constitutional provisions article 13, section 12.
Debt service	Use the prior year secured debt service factors.	N/A	§4701.	Distribute reported collections for the apportionment timeframe.	§2905; §4655.2
10% delinquent penalty		N/A	§4701.	Distribute reported collections to the county general fund for the apportionment timeframe.	§4655.4; §5451; §5392
1.5% additional penalty (§2922) on the original tax		N/A	§4701.	To the county general fund after collection.	§4658.4
Aircraft 1% general tax (Commercial aircraft is same as regular unsecured)	To county, city, school districts within the TRA for which the tax is levied on the private aircraft. See applicable R&T for precise method.	N/A	§4701	Distribute reported collections to applicable taxing jurisdictions (county, city, schools) for the apportionment timeframe.	§5451 thru §5456; §4655.2

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
4 – Unsecured Roll – Current Year					
Aircraft debt service	Use the prior year secured debt service factors.	N/A	§4701	Distribute reported collections for the apportionment timeframe.	§4655.2; §5451 thru §5456;
Penalty to file aircraft statement (R&T §5367)	To county, city, school districts within the TRA for which the tax is levied on the private aircraft. See applicable R&T for precise method.	N/A	§4701	Distribute reported collections to applicable taxing jurisdictions (county, city, schools) for the apportionment timeframe.	§5451 thru §5456; 4655.2
4 year pay plan (escape installment plan) (R&T §4837.5)	Penalty and cost aren't applied. May be distributed as collected or held until paid in full. Distribute as shown in Section 4 of this chapter (C1) of the Property Tax Manual.	Distribute the current year levy during the current fiscal year.	4701	Distribute reported collections to applicable taxing jurisdictions.	§2905; §4655.2; CA constitutional provisions article 13, section 12.
Defaulted 4 year pay plan (escape installment plan) (R&T §4837.5)	Previous collections may be distributed as collected or held until paid in full. Distribute as shown in Section 4 of this chapter (C1) of the Property Tax Manual.	Distribute the current year levy during the current fiscal year.	§4701	Distribute reported collections to applicable taxing jurisdictions.	§2905; §4655.2; CA constitutional provisions article 13, section 12.

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
5 – Secured Delinquent Roll / Redemption Roll					
1% unitary tax	Use the prior year unitary factors pursuant to §4656.2. However, some counties use the actual year's unitary factors.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund . (Unless your county collects on the Del. Unsecured Roll.)	§100; §4705; §4710	Distribute reported collections for the apportionment timeframe. (Unless your county collects on the Del. Unsecured Roll .)	§100; §4656.2
1% unitary tax 10% delinquent penalty		To tax losses reserve fund after collection.	§4710	Distribute reported collections for the apportionment timeframe. Use the prior year unitary factors. However, some counties use the actual year's Unitary factors.	§4656.2
Unitary debt service	Use the prior year unitary debt factors pursuant to §4656 and §4656.2. However, some counties use the actual year's unitary debt service factors.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§4708; §100(d)	Distribute reported collections for the apportionment timeframe.	§93; §100(d); §4656; §4656.2
Unitary debt service 10% delinquent penalty		To tax losses reserve fund after collection.	§4708; §100(d)	Distribute reported collections for the apportionment timeframe. Use the prior year unitary debt service factors. However, some counties use the actual year's unitary debt service factors.	§93; §100(d); §4656; §4656.2

See the RDA Section E of the Manual for treatment of **RDA** distribution.

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
5 – Secured Delinquent Roll / Redemption Roll					
1% general tax	Use the prior year AB8 factors pursuant to §4656 and §4656.2. However, some counties use the actual year's AB 8 factors.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§96 et seq.; §4705; §4710	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4656; §4656.2
1% general 10% delinquent penalty		To tax losses reserve fund after collection.	§4710	Distribute reported collections for the apportionment timeframe. Use the prior year AB 8 factors. However, some counties use the actual year's AB 8 factors.	§4656.2
Debt service	Use the prior year secured debt service factors pursuant to §4656 and §4656.2. However, some counties use the actual year's debt service factors.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§100; §4705; §4710; GC§29100	Distribute reported collections for the apportionment timeframe.	§100; §4652; §4656.2
Debt service 10% delinquent penalty		To tax losses reserve fund after collection.	§4710	Distribute reported collections for the apportionment timeframe. Use the prior year secured debt service factors. However, some counties use actual year debt service factors.	§4656.2

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
5 – Secured Delinquent Roll / Redemption Roll					
Cost		To a restricted county fund after collection.	§4710(c)	To the county general fund or a restricted county fund after collection.	§4656.4
5% supplemental administration fee deducted from supplemental tax collections	Up to 5% of total supplemental tax collections (not reduced by refunds), but not to exceed the actual cost of administering the supplemental roll.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§75.60; §75.70; §4701(b); §4710	Distribute reported collections for the apportionment timeframe. Distribute to the county or the city/county as determined by the BOS to be used solely of the purpose of supplemental tax administration.	§75.60; §75.70
Supplemental tax	Counties have discretion to use the prior year supplemental factors for all prior year supplemental collections or use the actual year's supplemental factor.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§4701(b); §4710;	Distribute reported collections for the apportionment timeframe.	§75.60; §75.70 thru §75.72; §4656.2

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
5 – Secured Delinquent Roll / Redemption Roll					
Supplemental 10% delinquent penalty		To tax losses reserve fund after collection.	§4710	Distribute reported collections for the apportionment timeframe. Counties have discretion to use the prior year supplemental factors for all prior year supplemental collections or use the specific year supplemental factors.	§75.72; §4656.2
1½% redemption penalty		To tax losses reserve fund after collection.	§4710	Distribute reported collections to taxing jurisdictions based on the prior year factor for the appropriate tax type (e.g. AB 8 factors, debt service factors, supplemental factors, direct charges).	§4656.2

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from Teeter	R&T Reference
5 – Secured Delinquent Roll / Redemption Roll					
1½% interest		To tax losses reserve fund after collection.	§4710	Distribute reported collections to taxing jurisdictions based on the prior year factor for the appropriate tax type (e.g. AB 8 factors, debt service factors, supplemental factors, direct charges).	§4656.2
Redemption fee		For property tax-defaulted prior to 1/1/84, 50% to State via the Semi-annual Settlement Report (form COL- 225) and 50% to the county general fund. For property tax-defaulted after 1/1/84, \$5 to State and \$10 to the county general fund. Distributed after collection.	§4656.5; §4710	For property tax-defaulted prior to 1/1/84, 50% to State via the Semi-annual Settlement Report (form COL-225) and 50% to the county general fund. For property tax-defaulted after 1/1/84, \$5 to State and \$10 to the county general fund. Distributed after collection.	§4656.5
Direct charges		Revenue distribution occurred in the year of the levy. Any Reported collections are distributed to the apportioned tax resources fund.	§4656.1; §4656.3; §4710	Distribute reported collections to individual districts.	§4656.3
Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from Teeter	R&T Reference

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5 – Secured Delinquent Roll / Redemption Roll					
Direct charges 10% delinquent penalty		To tax losses reserve fund after collection.	§4710	Distribute reported collections to individual districts.	§4656.3
Penalty for failure to file property statement (R&T §463)	Causes a 10% increase in unreported assessed value. Use the prior fiscal year AB8 factors pursuant to §4556 and §4656.2. However, some counties use the actual year's AB8 factors.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§4653.7; §4710	Distribute reported collections for the apportionment timeframe.	§4653.7
Penalty for fraudulently causing an escape in property tax (R&T §504).	Causes a 25% increase in assessed value. Use the prior year AB8 factors pursuant to §4656 and §4656.2. However, some counties use the actual year's AB8 factors.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§96 et seq.; §4705; §4708	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4652; §4656.2

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
5 – Secured Delinquent Roll / Redemption Roll					
.75% Interest added to tax for fraudulently causing an escape in property tax (R&T §506).	Some counties consider this to be part of the 1% general tax and therefore apportion using the prior year AB8 factors. Some counties consider this to be part of the total general taxes and therefore apportion using the prior year AB8 factors and the prior year secured debt service factors. Some counties consider this to be part of penalty and therefore distributed to the county general fund.	If considered to be a tax, apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund. If considered to be a penalty, distribute reported collections to the lax losses reserve fund.	§96 et seq.; §4705; §4708; §4710	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4656; §4656.2
Penalty for failure to provide change in ownership statements		To tax losses reserve fund after collection.	§482; §4653.7; §4710	To the county general fund after collection.	§482; §4653.7

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
5 – Secured Delinquent Roll / Redemption Roll					
Installment payments from Permanent installment plan (5 year pay plan) (redemption installment plan) (§4216 et seq.)	All, or any part, of money received may be held until redemption is made or distributed as the money is received (§4656.6). Distribute as shown in Section 7 of this chapter (C1) of the Property Tax Manual.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§3707; §4142; §4158; §4216; §4223; §4656.6; §4656.7	Distribute reported collections to applicable taxing jurisdictions.	§3707; §4142; §4158; §4216; §4223 §4656.6; §4656.7
Defaulted permanent installment plan (5 year pay plan) (redemption installment plan) (§4216 et seq.)	Law reads: On termination of the right of redemption (end of the business day prior to the tax sale {§3707}), amounts collected on defaulted installment plans shall be distributed as provided in the redemption chapter (4656 et seq.) unless previously distributed. Also see §4656.7. Some counties include the defaulted installment payments as part of the proceeds from tax sale to be distributed pursuant to applicable R&T for tax sale distribution.	Apportionment occurred in the year of the levy. Any reported collections are distributed to the apportioned tax resources fund.	§3707; §4142; §4158; §4216; §4223; §4656.6; §4656.7	Distribute reported collections to applicable taxing jurisdictions.	§3707; §4142; §4158; §4216; §4223 §4656.6; §4656.7

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
6 – Unsecured Delinquent Roll					
1% general tax (includes transfers from the secured roll)	Use the prior year AB8 factors pursuant to §4658.2. However, some counties use the actual year's AB8 factors.	N/A	§4701.	Distribute reported collections for the apportionment timeframe.	§4658.2
Debt service (includes transfers from the secured roll)	Use the secured debt service factors from 2 prior years pursuant to §4658.2. However, some counties use the actual year's debt service factors.	N/A	§4701.	Distribute reported collections for the apportionment timeframe.	§2905; §4658.2
5% supplemental administration fee deducted from supplemental tax collections	Up to 5% of total supplemental tax collections (not reduced by refunds), but not to exceed the actual cost of administering the supplemental roll.	N/A	§4701	Distribute reported collections as directed for the apportionment timeframe. Distributed to the county or the city/county as determined by the BOS to be used solely of the purpose of supplemental tax administration.	§75.60; §75.70

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
6 – Unsecured Delinquent Roll					
Prior year supplemental event 1% general tax	Counties have discretion to use the prior year supplemental factors for all prior year supplemental collections or use the actual year's supplemental factor.	N/A	§4701	Distribute reported collections for the apportionment timeframe.	§75.60; §75.70; §4658.2
Supplemental debt service	For current year events, use the current year secured debt service factors. For prior year events, counties have discretion to use either the prior year secured debt service factors or the actual year's debt service factors.	N/A	§4711	Distribute reported collections for the apportionment timeframe.	§100; §4658.2
Aircraft 1% tax (Commercial aircraft is same as regular unsecured)	To county, city, school districts within the TRA for which the tax is levied on the private aircraft. See §5451 thru §5456 for precise method.	N/A	§4701	Distribute reported collections to applicable taxing jurisdictions (county, city, schools).	§5451 thru §5456; §4658.2
Aircraft debt service	Use the prior year secured debt service factors.	N/A	§4701	Distribute reported collections for the apportionment timeframe.	§5392; §5451 thru §5456; §4658.4
Penalty to file aircraft statement (R&T §5367)	To county, city, school districts within the TRA for which the tax is levied on the private aircraft. See §5451 thru §5456 for precise method.	N/A	§4701	Distribute reported collections to applicable taxing jurisdictions (county, city, schools).	§5451 thru §5456; §4658.2

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
6 – Unsecured Delinquent Roll					
1% unitary tax (due to transfers from secured roll)	Use the prior year unitary factors. However, some counties use the actual year's Unitary factors.	N/A	§4701	Distribute reported collections for the apportionment timeframe.	§100; §4658; §4658.2
Unitary debt service	Use the prior year unitary debt service factors. However some counties use the actual year's debt service factors.	N/A	§4701	Distribute reported collections for the apportionment timeframe.	§100(d)
Direct charges (due to transfers from secured roll)		N/A	§4701	Distribute reported collections to individual district.	§4658 §4658.2
10% delinquent penalty (due to transfers from secured roll)		N/A	§4701	To the county general fund after collection	§4658; §4658.4
Cost (due to transfers from secured roll)		N/A	§4701	To a county fund after collection for tax collector use if for the current year.	§2621; §4653.8; Accounting Standards and Procedures Manual chapter 18.12.
1.5% additional penalty (§2922) on the original tax		N/A	§4701	To the county general fund after collection.	§4658.4

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
6 – Unsecured Delinquent Roll					
Direct charges 1.5% additional penalty		N/A	§4701	To the county general fund after collection.	§4658; §4658.4
Penalty for failure to file property statement (R&T §463) (due to transfers from secured roll)	Causes a 10% increase in unreported assessed value. Use the prior year AB8 factors. However, some counties use the actual year's <i>apportionment factors</i> .	N/A	§4701	Distribute reported collections for the apportionment timeframe.	§4653.7; §4658.4
Penalty for fraudulently causing an escape in property tax (R&T §504) (due to transfers from secured roll).	Causes a 25% increase in assessed value. Use the prior year AB 8 factors pursuant to §4658.2). However, some counties use the actual year's AB8 factors.	N/A	§4701	Distribute reported collections for the apportionment timeframe.	§96 et seq.; §4653.4; §4658.2
7 – Tax Sale Proceeds					

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- The term “priority” in this section refers to the precedence of distribution to tax sale proceeds. If the amount remaining after each item is insufficient to pay the entire amount of the next item of distribution, then the next item will be reduced accordingly and no further items will receive distributions.
- The priority order is different between those components included in Teeter and those components excluded from Teeter. A summary of the priority is shown below.

Component	Teeter Priority	Non-Teeter Priority
Documentary Transfer Tax	1	1
Cost of advertising	1	1
Recording fee	1	1
\$1.50 tax deeded fee	2	2
\$150 cost of sale	3	3
Cost of Personal contact	4	4
Cost of notice	5	5
Defaulted Taxes and related items	6	7
Defaulted Direct Charges and related items	6	6
Outstanding balance of any property tax postponement loan	7	8
Current Year Taxes and related items	8	9
Excess Proceeds	9	10

- If the tax sale occurs after October 31, and there isn’t enough remaining balance of proceeds to pay the bill, then the current year bill must be “paid” if Teetered and/or cancelled if not Teetered (R&T Code §4673.1(b), §3712, and §§2605-2607).
- Since supplemental bills are due and payable on the date mailed and there isn’t enough remaining balance of proceeds to pay the bill, then any secured supplemental bills must be “paid” if Teetered and/or cancelled if not Teetered (R&T Code §4673.1(b)), (R&T Code §75.52), R&T Code §4673.1(b), §3712, and §§2605-2607).
- Certain **liens** may not be extinguished with the tax sale pursuant to R&T Code §3712.
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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
7 – Tax Sale Proceeds					
Documentary Transfer Tax	County's option to impose on all transfers of property. If imposed, then added to the actual bid price.	To the county after tax sale. This has 1 st priority.	§11911	To the county after tax sale. This has 1 st priority.	§11911
Cost of advertising		To the county general fund after tax sale. This has 1 st priority.	§4673.	To the county general fund after tax sale. This has 1 st priority.	§4673.
Recording Fee		To the county after tax sale. This has 1 st priority.	§3719	To the county after tax sale. This has 1 st priority.	§3719
\$1.50 tax deeded fee		Total collections from the tax sale are sent to the State with the Semi-annual Settlement Report (form COL-225). This has 2 nd priority.	§4672.	Total collections from the tax sale are sent to the State with the Semi-annual Settlement Report (form COL-225). This has 2 nd priority.	§4672.
\$150 cost of sale		To the county general fund after tax sale. This has 3 rd priority.	§4672.1	To the county general fund after tax sale. This has 3 rd priority.	§4672.1
Cost of personal contact		To county tax collector after tax sale. This has 4 th priority.	§4672.3	To county tax collector after tax sale. This has 4 th priority.	§4672.3
Cost of notice		To the county general fund after tax sale. This has 5 th priority.	§4672.2	To the county general fund after tax sale. This has 5 th priority.	§4672.2

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from Teeter	R&T Reference
7 – Tax Sale Proceeds					
Defaulted 1% general tax	Use the prior year AB8 factors pursuant to §4673.1(a). However, some counties use the actual year's apportionment factors. Also see the Teeter and non-Teeter plan columns to the right. If the amount available for distribution isn't sufficient to pay the entire default, then a pro-ration between Teeter and non-Teeter must occur.	Apportionment occurred in the year of the levy. Any collections, subject to the Teeter plan, from tax sale are distributed to the apportioned tax resources fund. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4711; §4671; §4710; State Accounting Standards and Procedures.	Distributed after tax sale. Pro-rata share in the same proportion as the total amount of ad-valorem taxes necessary to redeem the property. This has 7 th priority.	§4673.1(a)
Defaulted 1% general tax 10% delinquent penalty	If the amount available for distribution isn't sufficient to pay the entire default, then a pro-ration between Teeter and non-Teeter must occur.	To tax losses reserve fund after tax sale. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4711; §4671; §4710	Distributed after tax sale. Pro-rata share, using the prior year AB8 factors, in the same proportion as the total amount of ad-valorem taxes necessary to redeem the property. This has 7 th priority.	§4673.1(a)

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from Teeter	R&T Reference
7 – Tax Sale Proceeds					
Defaulted debt service	Use the prior year secured debt service factors pursuant to §4673.1(a). However, some counties use the actual year debt service factors. See the Teeter and non-Teeter plan columns to the right. If the amount available for distribution isn't sufficient to pay the entire default, then a pro-ration between Teeter and non-Teeter must occur.	Apportionment occurred in the year of the levy. Any collections, subject to the Teeter plan, from tax sale are distributed to the apportioned tax resources fund. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4711; §4671; §4710	Distributed after tax sale. Use a Pro-rata share in the same proportion as the total amount of ad-valorem taxes necessary to redeem the property. This has 7 th priority.	§4673.1(a)
Defaulted debt service 10% delinquent penalty	If the amount available for distribution isn't sufficient to pay the entire default, then a pro-ration between Teeter and non-Teeter must occur.	To tax losses reserve fund after tax sale. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4711; §4671; §4710	Distribute to debt service funds after tax sale. Use Pro-rata share, using the prior year secured debt service factors, in the same proportion as the total amount of ad-valorem taxes necessary to redeem the property. This has 7 th priority.	§4673.1(a)

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
7 – Tax Sale Proceeds					
5% supplemental administration fee deducted from defaulted supplemental tax collections	Up to 5% of total supplemental tax collections (not reduced by refunds), but not to exceed the actual cost of administering the supplemental roll. If the amount available for distribution isn't sufficient to pay the entire default, then a pro-rata between Teeter and non-Teeter must occur.	Apportionment occurred in the year of the levy. The balance of any collections, subject to the Teeter plan, from tax sale is distributed to the apportioned tax resources fund. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§75.60; §75.70; §4701(b)	Distribute to the county or the city/county as determined by the BOS to be used solely of the purpose of supplemental tax administration after tax sale. Pro-rata share in the same proportion as the total amount of ad-valorem taxes necessary to redeem the property. This has 7 th priority.	§75.60; §75.70
Defaulted supplemental tax	Counties have discretion to use prior year AB8 factors for all prior year supplemental collections or use the specific year's apportionment factor. Also see the Teeter and non-Teeter plan. If the amount available for distribution isn't sufficient to pay the entire default, then a pro-rata between Teeter and non-Teeter must occur.	Apportionment occurred in the year of the levy. The balance of any collections, subject to the Teeter plan, from tax sale is distributed to the apportioned tax resources fund. Any collections, subject to the Teeter plan, made from tax sale are distributed to the apportioned tax resources fund. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4701(b); §4710; §4711.	Distribute balance after tax sale. Pro-rata share using the prior year ¹ supplemental factors, in the same proportion as the total amount of ad-valorem taxes necessary to redeem the property. This has 7 th priority. 1 See the "basis" column regarding option of which prior year supplemental factor to use.	§4673.1(a)

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7 – Tax Sale Proceeds					
Defaulted supplemental 10% delinquent penalty	If the amount available for distribution isn't sufficient to pay the entire default, then a pro-ration between Teeter and non-Teeter must occur.	To tax losses reserve fund after tax sale. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4710; §4711.	Distributed after tax sale. Pro-rata share, using the prior year supplemental apportionment factors, in the same proportion as the total amount of ad-valorem taxes necessary to redeem the property. This has 7 th priority.	§4673.1(a)
Defaulted cost	If the amount available for distribution isn't sufficient to pay the entire default, then a pro-ration between Teeter and non-Teeter must occur.	To a restricted county fund after tax sale (§4710(c)). Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4711; §4671; §4710; §4708	Distribute to the county general fund or (when authorized by the Board of Supervisors) a restricted county fund after tax sale. This has 7 th priority.	§4673.1(a) §4656.4
Defaulted direct charges	If the amount available for distribution isn't sufficient to pay the entire default, then a pro-ration between Teeter and non-Teeter must occur.	Apportionment occurred in the year of the levy. Any collections, subject to the Teeter plan, from tax sale are distributed to the apportioned tax resources fund. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4	§4711; §4671; §4710	Distributed after the tax sale to the individual districts on a pro-rata share in the same proportion as the total amount of non-ad valorem direct charges necessary to redeem the property. This has 6 th priority.	§4673.1(a)

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
7 – Tax Sale Proceeds					
Defaulted direct charges 10% delinquent penalty	If the amount available for distribution isn't sufficient to pay the entire default, then a pro-rata between Teeter and non-Teeter must occur.	To the tax losses reserve fund after tax sale. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4711; §4671; §4710	To the individual districts after tax sale on a pro-rata share in the same proportion as the total amount of non-ad valorem direct charges necessary to redeem the property. This has 6 th priority.	§4673.1(a)
Redemption penalty	If the amount available for distribution isn't sufficient to pay the entire default, then a pro-rata between Teeter and non-Teeter must occur.	To the tax losses reserve fund after tax sale. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4710; §4711; §4656.5	Distributed after tax sale. Pro-rata share to taxes and direct charges. This has 7 th priority.	§4673.1; §4656.5
Redemption fee	If the amount available for distribution isn't sufficient to pay the entire default, then a pro-rata between Teeter and non-Teeter must occur.	Distribute after tax sale. For property tax-defaulted prior to 1/1/84, 50% to State via the Semi-annual Settlement Report (form COL-225) and 50% to the county general fund. For property tax-defaulted after 1/1/84, \$5 to State and \$10 to the county general fund. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 6 th priority. See exhibit 4.	§4656.5; §4710; §4711	For property tax-defaulted prior to 1/1/84, 50% to State via the Semi-annual Settlement Report (form COL-225) and 50% to the county general fund. For property tax-defaulted after 1/1/84, \$5 to State and \$10 to the county general fund. Distributed after tax sale. This has 7 th priority.	§4656.5

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from Teeter	R&T Reference
7 – Tax Sale Proceeds					
Outstanding balance of any property tax postponement loan	Distribute to the State Controller the sum of the following: (1) The tax payments made by the State Controller's office on behalf of the claimant in the Property Tax Postponement Program; (2) Accrued interest pursuant to Gov Code §16183, subject to §§20644 and 20644.5; (3) Other associated fees and penalties as deemed appropriate by law; (4) Less any payments already made on the property tax postponement loan.	Distribute to the State Controller. This has 7 th priority.	§4673.1	Distribute to the State Controller. This has 8 th priority.	§4673.1
Current year 1% general tax	Use the current year AB8 factors.	Distribute 100% of the levy during the current fiscal year. Any collections, subject to the Teeter plan, from tax sale are distributed to the apportioned tax resources fund. The tax losses reserve fund bears any loss. This has 8 th priority. See exhibit 4.	§4673.1(b); §4653; §4653.4; §3712; §2605 thru §2607; §4711	Distributed after tax sale. This has 9 th priority.	§4673.1(b); §4653; §4653.4; §3712; §2605 thru §2607;

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
7 – Tax Sale Proceeds					
Current year debt service	Use the current year secured debt service factors.	Distribute 100% of the levy during the current fiscal year. Any collections, subject to the Teeter plan, from tax sale are distributed to the apportioned tax resources fund. The tax losses reserve fund bears any loss. This has 8 th priority. See exhibit 4.	§4673.1(b); §100; §4653.4; §3712; §2605 thru §2607; §4711	Distributed after tax sale. This has 9 th priority.	§4673.1(b); §100; §4653.4; §3712; §2605 thru §2607
5% supplemental administration fee deducted from current year supplemental tax collections	Up to 5% of total supplemental tax collections (not reduced by refunds), but not to exceed the actual cost of administering the supplemental roll. If the amount available for distribution isn't sufficient to pay the entire default, then a pro-rata between Teeter and non-Teeter must occur.	Distribute 100% of the levy during the current fiscal year. The balance of any collections, subject to the Teeter plan, from tax sale is distributed to the apportioned tax resources fund. Any loss on Teetered monies is borne by the tax losses reserve fund. This has 8 th priority. See exhibit 4.	§75.60; §75.70; §4701(b)	Distribute to the county or the city/county as determined by the BOS to be used solely of the purpose of supplemental tax administration pursuant to R&T §75.60 after tax sale. Pro-rata share using the prior year's ¹ supplemental apportionment factors, in the same proportion as the total amount of ad-valorem taxes necessary to redeem the property. This has 9 th priority.	§75.60; §75.70

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from Teeter	R&T Reference
7 – Tax Sale Proceeds					
Current year supplemental tax for current year events and prior year events.	For current year events, use the current year supplemental factors. For prior year events, Counties have discretion to use the prior year supplemental factors for all prior year supplemental collections or use the specific year's supplemental factor. Also see the Teeter and non-Teeter plan.	Distribute 100% of the levy during the current fiscal year. Any collections, subject to the Teeter plan, from tax sale are distributed to the apportioned tax resources fund. The tax losses reserve fund bears any loss. This has 8 th priority. See exhibit 4.	§4701(b); §4710; §4711.	Distribute after tax sale. This has 9 th priority.	§4673.1(a)
Current year direct charges		To tax losses reserve fund after tax sale. The tax losses reserve fund bears any loss. This has 8 th priority. See exhibit 4.	§4673.1(b); §4656.1; §4656.3; §3712; §2605 thru §2607; §4711	To individual district after tax sale. This has 9 th priority.	§4673.1(b); §4656.1; §4656.3; §3712; §2605 thru §2607
Current year 10% delinquent penalty		To tax losses reserve fund after tax sale. The tax losses reserve fund bears any loss. This has 8 th priority. See exhibit 4.	§4673.1(b); §4653.6; §3712; §2605 thru §2607; §4711	To the county general fund after tax sale. This has 9 th priority.	§4673.1(b); §4653.6; §3712; §2605 thru §2607

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
7 – Tax Sale Proceeds					
Current year cost		To the county general fund after tax sale. The county general fund bears any loss. This has 8 th priority. See exhibit 4.	§4673.1(b); §4653.8; §3712; §2605 thru §2607; §4711	To a county fund for tax collector use after tax sale. This has 9 th priority.	§4673.1(b); §4653.8; §3712; §2605 thru §2607

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
7 – Tax Sale Proceeds					
Excess proceeds		This has 9th priority. The remainder of the proceeds is left in the delinquent tax sale trust fund to await distribution to the <i>party of interest</i> in the order of seniority of the claims. Prior to distribution of claimed excess proceeds, the cost of noticing the right to claim excess proceeds (R&T Code §4676) may be deducted from the excess proceeds and distributed to the county general fund. Prior to the distribution of the unclaimed excess proceeds, the county may recoup costs of maintaining the redemption files and administering claims for excess proceeds not previously recovered. Any unclaimed excess proceeds shall be distributed to the tax losses reserve fund.	§4674 thru §4676; §4711(c)	This has 10th priority. The remainder of the proceeds is left in the delinquent tax sale trust fund to await distribution to the party of interest in the order of seniority of the claims. Prior to distribution of claimed excess proceeds, the cost of noticing the right to claim excess proceeds (R&T Code §4676) may be deducted from the excess proceeds & distributed to the county general fund. Prior to the distribution of the unclaimed excess proceeds, the county may recoup costs of maintaining the redemption files & administering claims for excess proceeds not previously recovered. Any unclaimed excess proceeds shall be distributed to each applicable taxing entity within the TRA applicable to the property sold.	§4674 thru §4676; §4673.1(a)(2)

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
7 – Tax Sale Proceeds					
Incomplete tax sale payment		County required to claim against bidder for actual cost of sale. Claim to be taken from any deposit submitted by bidder with any remaining deposit to be forfeited. If deposit is insufficient for claim, county may use any authorized method to collect including unsecured roll.	§3455 thru §3457	County required to claim against bidder for actual cost of sale. Claim to be taken from any deposit submitted by bidder with any remaining deposit to be forfeited. If deposit is insufficient for claim, county may use any authorized method to collect including unsecured roll.	§3455 thru §3457
Forfeited deposit for credit sales		General Fund	§3693.1	General Fund	§3693.1
8 – Roll Corrections Not Resulting in Refunds (all rolls)					
All charges	In same manner as the original disbursement. Note: The up to 5% supplemental administration fee is subject only to revenues collected.	In the case of negative corrections, reverse the apportionment in the same manner as any previous distributions for that tax type. In the case of positive corrections, apportion in the same manner as any previous distributions for that tax type.	§4707	No action necessary.	N/A

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
9 – Roll Corrections Resulting in Refunds – All Rolls Except for Supplemental Roll					
All charges	Reverse apportion in the same manner as any collections for the tax type. For “typical” ad valorem based taxes, use the appropriate factor <u>type</u> (e.g. 1% general tax versus 1% unitary tax) for the reverse apportionment (see the various sections of this matrix for the appropriate type). Also need to determine which factor <u>year</u> to use (see the various sections of this matrix for the appropriate factor year). If reverse apportioning a current year secured 1% general tax, use the current year AB8 factor. If reverse apportioning a prior year secured 1% general tax, use the most recent prior year AB8 factor (some counties use the actual year’s factor).	Reverse distribute 100% of the refund to all appropriate taxing jurisdictions during the current fiscal year. Note: a refund has a zero net effect on A/R.	§96 et seq.; §4707	Reverse distribute 100% of the refund to all appropriate taxing jurisdictions during the current fiscal year. Note: a refund has a zero net effect on A/R.	§96 et seq.; §4837; Accounting Standards and Procedures Manual chapter 18.02

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
9 – Roll Corrections Resulting in Refunds – All Rolls Except for Supplemental Roll					
1% general tax	Current Roll: use the current year AB 8 factors; Secured Redemption/Delinquent Roll: use prior year AB8 factor. However, some counties use the actual year's AB8 factors for apportionment.	Reverse distribute 100% of the refund to all appropriate taxing jurisdictions during the current fiscal year. Note: a refund has a zero net effect on A/R.	§96 et seq.; §4707	Reverse distribute 100% of the refund to all appropriate taxing jurisdictions during the current fiscal year. Note: a refund has a zero net effect on A/R.	§96 et seq.; §4837; Accounting Standards and Procedures Manual chapter 18.02
Interest on refunds paid to taxpayers (R&T §5151)		N/A	§4701	Shall be apportioned to the appropriate funds, as determined by the county auditor.	§5151(f)
10 – Refunds – Supplemental Roll due to Negative Assessments					
5% supplemental administration fee deducted from supplemental tax	N/A. The up to 5% supplemental administration fee is subject only to revenues collected.	N/A	§4701	N/A	§75.60
All charges	Net any refunds against same year and same type collections before apportioning (§75.43(a)). Reverse the apportionment in the same manner as any collections for the tax type.	Reverse distribute 100% of the refund to all appropriate taxing jurisdictions during the current fiscal year. Note: a refund has a zero net effect on A/R.	§4701	Reverse distribute 100% of the refund to all appropriate taxing jurisdictions during the current fiscal year. Note: a refund has a zero net effect on A/R.	§75.42; §75.43; §75.70

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
11 – Homeowner’s Exemption					
Total subvention received	Apportion the reimbursement proceeds to the local entities in accordance with the appropriate year’s claim. (GC§16120.6).	N/A	§4701	To taxing jurisdictions and debt service funds upon receipt of the payment from the State.	GC§16120; GC§29100.6; §218
12 – Open Space Subvention					
Total subvention received	Determined locally.	N/A	§4701	Distribute upon receipt of the payment from the State.	GC§16145
13 – Fish and Game In Lieu of Taxes (State Wildlife Management Tax Remittance)					
Total in lieu received	Distribute to the various taxing jurisdictions based on the original billing year’s AB8 factors at the TRA level.	N/A	§4701	Distribute upon receipt of the payment from the State.	FGC§1504; Accounting Standards & Procedures Chapter 18, Summary Chart of Tax Apportionment

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
14 – U.S. Fish and Wildlife Revenue Sharing					
Total payment received	The county is responsible to pass-through funds to taxing jurisdictions that incur the loss of tax revenue by reason of the exemption from property taxation of Fish & Wildlife Revenue Sharing lands. Each jurisdiction is entitled to the same proportion as its current tax loss bears to the current whole tax loss and the distribution factor may be determined by any suitable method to achieve an equitable result. Funds received by the entity may be used for any governmental purpose.	N/A	§4701	Distribute within 90 days of receipt of payment from Federal Government.	CFR Title 50, Chapter 1, Section 34.5.
15 – Federal Grazing Land Fees					
Total payment received	If received as PRC §8557.5, monies earmarked for and available only for expenditure for range improvements and control of predators. If received as PRC §8558, 50 percent to the public schools and 50 percent for county highways.	N/A	§4701	Distribute upon receipt of the payment from the State.	PRC §8558 & §8557.5;

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
16 – U.S. Forest Reserve In Lieu					
Title I	50 percent to forest reserve account in the county school service fund of the county, and 50 percent to the road fund. See Chapter C-3 Part 10 for discussion of Titles I-III payment apportionment.	N/A	§4701	Distribute upon receipt of the payment from the State.	GC§29480 thru §29484; Public Law 110-343
Title II	The Forest Service retains Title II funds and directly allocates the funds to previously approved programs for public land maintenance and improvement projects. See Chapter C-3 Part 10 for description of approved programs.	N/A	§4701	No distribution performed by County; the Forest Service allocates these funds directly to approved programs.	Public Law 110-343
Title III	Allocate to previously approved fire prevention programs and/or to reimburse counties for emergency services performed on Federal land.	N/A	§4701	Distribute upon receipt of the payment from the State.	Public Law 110-343

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
17 – Racehorse Tax					
Tax 6% penalty 1% additional penalty §5767 10% delinquent penalty §5767 25% penalty	If racehorse domiciled within a city and any school district, then distribute one-third to the city, one-third to the school district, and one-third to the county. If racehorse domiciled outside of any city but was located within one or more school districts, distribute one-half to the school district or districts and one-half to the county. If racehorse domiciled in both an elementary school district and a high school district, the proceeds allocable to school districts shall be divided equally between the elementary and high school districts to the exclusion of all other school districts.	N/A	§4701	Distribute after collection.	§5790

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
18 – Timber Tax					
Total payment received	Distribute to the affected taxing jurisdictions based on predetermined factors established by R&T Code §38905.1(b).	N/A	§4701	Distribute within 10 days of receipt of the payment from the State.	§38905.1; §95; GC§27423.
19 – Highway Property Tax Rental					
Total payment received	Distributed as determined by BOS within requirements of S&H §104.10. Note that if property located in city, then ½ goes to city pursuant to S&H §104.10.	N/A	§4701	Distribute upon receipt of the payment from the State.	S&HC §104.10
20 – Off Road Vehicle					
Total payment received	Distribute as determined by BOS within requirements of VC §38240 & VC §38240.1	N/A	§4701	Distribute upon receipt of the payment from the State	VC §38240; VC §38240.1

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Tax Type	Basis for and Recipient(s) of <i>Ad Valorem</i> Distribution	Distribution Timing and Recipient(s) for Those Components Included in <i>Teeter</i>	R&T Reference	Distribution Timing and Recipient(s) for Those Components Excluded from <i>Teeter</i>	R&T Reference
21 – Debt Service and Direct Charges Administration Cost Recovery					
Total amount calculated and received	To the county general fund	N/A	§4701	Distribute during the current fiscal year. Commonly done after the 12/10 delinquent date.	GC§29142; GC§29304; PUC§16655
22 – Property Tax Administration Cost Recovery (SB2557)					
Total amount calculated and received	To the county for property tax administration.	N/A	§4701	Distribute during the current fiscal year. Commonly done after the 12/10 delinquent date.	§95 et seq. §95.3.
23 – Interest on Unapportioned Taxes					
Interest earnings at county pooled rate	The code is silent, county policy governs.	N/A	§4701	Distribute during the current fiscal year.	Accounting Standards & Procedures, Chapter 18, Summary Chart of Tax Apportionment
24 – Prior Year Restricted Money					
County Office of Education property taxes greater than the LCFF threshold	Transfer specified amounts to the Supplemental Revenue Augmentation Fund (SRAF)	N/A	§4701	Transferred to SRAF by county auditor-controller in two equal payments, on or before January 1 & May 1 each year, with an adjustment to the second payment if the amount changes prior to the transfer being made.	EC §2578

See the RDA Section E of the Manual for treatment of **RDA** distribution.

Table A

Generic Apportionment for Either Teeter or Non-Teeter Method

Determination of 1% General Tax and Debt Service Rates and Apportionment Factors Within Each TRA:

<u>1% General Tax and Debt Service Rates</u>						<u>Apportionment Factors for 1% General Tax and Debt Service Rates</u>				
TRA	1% General Tax	Tin Man Fire Debt Rate	Lolly Pop Elem Debt Rate	Dorothy High Debt Rate	Total Tax Rate for TRA	1% Gen Tax	Tin Man Fire	Lolly Pop Elem	Dorothy High	Total
001-000	1.0000%				1.0000%	100.0000%				100.0000%
052-000	1.0000%			0.2500%	1.2500%	80.0000%			20.0000%	100.0000%
080-000	1.0000%		0.1150%		1.1150%	89.6861%		10.3139%		100.0000%
120-000	1.0000%		0.1150%	0.2500%	1.3650%	73.2601%		8.4249%	18.3150%	100.0000%
123-004	1.0000%	0.0053%			1.0053%	99.4728%	0.5272%			100.0000%

Separation of Levy/Collections into 1% General Tax, Debt Service, and Special Assessments (note 1):

TRA	Total Tax Levy or Collections (note 1)	<u>Special Assessments</u>			Tax (1% Tax + Debt) Less Spcl Assmnts	<u>1% Tax Without Debt</u>		<u>Tin Man Fire Debt Service</u>		<u>Lolly Pop Elem Debt Service</u>		<u>Dorothy High Debt Service</u>	
		<u>Oz CSA</u>	<u>Munchkin CSD</u>	<u>Scare Crow Water</u>		<u>Apportn Fctr (See Above)</u>	<u>Net Amount</u>	<u>Apportn Fctr (See Above)</u>	<u>Net Amount</u>	<u>Apportn Fctr (See Above)</u>	<u>Net Amount</u>	<u>Apportn Fctr (See Above)</u>	<u>Net Amount</u>
001-000	1,490,000.00			15,000.00	1,475,000.00	100.0000%	1,475,000.00	0.0000%	-	0.0000%	-	0.0000%	-
052-000	250,000.00	500.00			249,500.00	80.0000%	199,600.00	0.0000%	-	0.0000%	-	20.0000%	49,900.00
080-000	227,500.00	460.00		2,500.00	224,540.00	89.6861%	201,381.17	0.0000%	-	10.3139%	23,158.83	0.0000%	-
120-000	26,000.00	124.00		6,000.00	19,876.00	73.2601%	14,561.18	0.0000%	-	8.4249%	1,674.53	18.3150%	3,640.29
123-004	<u>101,500.00</u>		11,120.00	1,500.00	<u>88,880.00</u>	99.4728%	<u>88,411.42</u>	0.5272%	<u>468.58</u>	0.0000%	-	0.0000%	-
TOTAL	<u>2,095,000.00</u>	<u>1,084.00</u>	<u>11,120.00</u>	<u>25,000.00</u>	<u>2,057,796.00</u>		<u>1,978,953.77</u>		<u>468.58</u>		<u>24,833.36</u>		<u>53,540.29</u>

Distribution of Net 1% Tax Without Debt:

District	Share of 1% Tax Without Debt (1% Tax * AB-8%)	
	<u>AB-8 %</u>	<u>1,978,953.77</u>
County of Oz	32.150045%	636,234.54
Emerald City	5.011548%	99,176.22
Tin Man Fire Protection	0.325418%	6,439.87
Lion Cemetery	0.154549%	3,058.45
Lolly Pop Elementary	21.545846%	426,382.33
Dorothy High	23.111483%	457,365.56
Wizard Community College	11.000051%	217,685.92
ERAF	<u>6.701060%</u>	<u>132,610.88</u>
Total 1% Tax	<u>100.000000%</u>	<u>1,978,953.77</u>

Recap of Total Distribution by District and Type:

District	1% Tax	Debt Service	Special Assessments	Total
County of Oz	636,234.54			636,234.54
Emerald City	99,176.22			99,176.22
Tin Man Fire Protection	6,439.87	468.58		6,908.45
Lion Cemetery	3,058.45			3,058.45
Lolly Pop Elementary	426,382.33	24,833.36		451,215.69
Dorothy High	457,365.56	53,540.29		510,905.85
Wizard Community College	217,685.92			217,685.92
ERAF	132,610.88			132,610.88
Oz CSA			1,084.00	1,084.00
Munchkin CSD			11,120.00	11,120.00
Scare Crow Water			<u>25,000.00</u>	<u>25,000.00</u>
	<u>1,978,953.77</u>	<u>78,842.23</u>	<u>37,204.00</u>	<u>2,095,000.00</u>

Note 1: Total tax levy for Teeter; Total collection for Non-Teeter.

EXHIBIT 1

Apportionment of Cash Collections, Net of Refunds, for Non-Teeter Method

Determination of 1% General Tax and Debt Service Rates and Apportionment Factors Within Each TRA:

<u>1% General Tax and Debt Service Rates</u>						<u>Apportionment Factors for 1% General Tax and Debt Service Rates</u>				
TRA	1% General Tax	Tin Man Fire Debt Rate	Lolly Pop Elem Debt Rate	Dorothy High Debt Rate	Total Tax Rate for TRA	1% Gen Tax	Tin Man Fire	Lolly Pop Elem	Dorothy High	Total
001-000	1.0000%				1.0000%	100.0000%				100.0000%
052-000	1.0000%			0.2500%	1.2500%	80.0000%			20.0000%	100.0000%
080-000	1.0000%		0.1150%	1.1150%	1.1150%	89.6861%		10.3139%		100.0000%
120-000	1.0000%		0.1150%	0.2500%	1.3650%	73.2601%		8.4249%	18.3150%	100.0000%
123-004	1.0000%	0.0053%			1.0053%	99.4728%	0.5272%			100.0000%

Separation of Levy/Collections into 1% General Tax, Debt Service, and Special Assessments:

TRA	Refunds (Tax)		Net Total	Special Assessments			Tax (1% Tax + Debt) Less Spcl Assmnts	1% Tax Without Debt		Tin Man Fire Debt Service		Lolly Pop Elem Debt Service		Dorothy High Debt Service	
	Total	Only - No Spcl		Oz CSA	Munchkin	Scare Crow		Apportn Fctr	Net	Apportn Fctr	Net	Apportn Fctr	Net	Apportn Fctr	Net
	<u>Collections</u>	<u>Assessments</u>	<u>Collections</u>		<u>CSD</u>	<u>Water</u>		<u>(See Above)</u>	<u>Amount</u>	<u>(See Above)</u>	<u>Amount</u>	<u>(See Above)</u>	<u>Amount</u>	<u>(See Above)</u>	<u>Amount</u>
001-000	1,490,000.00	(500.00)	1,489,500.00			15,000.00	1,474,500.00	100.0000%	1,474,500.00	0.0000%	-	0.0000%	-	0.0000%	-
052-000	250,000.00	(1,450.00)	248,550.00	500.00			248,050.00	80.0000%	198,440.00	0.0000%	-	0.0000%	-	20.0000%	49,610.00
080-000	227,500.00	(1,265.00)	226,235.00	460.00		2,500.00	223,275.00	89.6861%	200,246.64	0.0000%	-	10.3139%	23,028.36	0.0000%	-
120-000	26,000.00	(228.00)	25,772.00	124.00		6,000.00	19,648.00	73.2601%	14,394.14	0.0000%	-	8.4249%	1,655.33	18.3150%	3,598.53
123-004	101,500.00	(435.00)	101,065.00	-	11,120.00	1,500.00	88,445.00	99.4728%	87,978.71	0.5272%	466.29	0.0000%	-	0.0000%	-
TOTAL	2,095,000.00	(3,878.00)	2,091,122.00	1,084.00	11,120.00	25,000.00	2,053,918.00		1,975,559.49		466.29		24,683.69		53,208.53

Distribution of Net 1% Tax Without Debt:

District	AB-8 %	Share of 1% Tax Without Debt
		(1% Tax * AB-8%)
		<u>1,975,559.49</u>
County of Oz	32.150045%	635,143.25
Emerald City	5.011548%	99,006.11
Tin Man Fire Protection	0.325418%	6,428.83
Lion Cemetery	0.154549%	3,053.21
Lolly Pop Elementary	21.545846%	425,651.01
Dorothy High	23.111483%	456,581.10
Wizard Community Colleg	11.000051%	217,312.55
ERAF	6.701060%	132,383.43
Total 1% Tax	100.000000%	<u>1,975,559.49</u>

Recap of Total Distribution by District and Type:

District	1% Tax	Debt Service	Special Assessments	Total
County of Oz	635,143.25			635,143.25
Emerald City	99,006.11			99,006.11
Tin Man Fire Protection	6,428.83	466.29		6,895.12
Lion Cemetery	3,053.21			3,053.21
Lolly Pop Elementary	425,651.01	24,683.69		450,334.70
Dorothy High	456,581.10	53,208.53		509,789.63
Wizard Community Coll	217,312.55			217,312.55
ERAF	132,383.43			132,383.43
Oz CSA			1,084.00	1,084.00
Munchkin CSD			11,120.00	11,120.00
Scare Crow Water			25,000.00	25,000.00
	<u>1,975,559.49</u>	<u>78,358.51</u>	<u>37,204.00</u>	<u>2,091,122.00</u>

Apportionment for Adjustments for Teeter Method

Determination of 1% General Tax and Debt Service Rates and Apportionment Factors Within Each TRA:

<u>1% General Tax and Debt Service Rates</u>						<u>Apportionment Factors for 1% General Tax and Debt Service Rates</u>				
TRA	1% General Tax	Tin Man Fire Debt Rate	Lolly Pop Elem Debt Rate	Dorothy High Debt Rate	Ttl Tax Rate for TRA	1% Gen Tax	Tin Man Fire	Lolly Pop Elem	Dorothy High	Total
001-000	1.0000%				1.0000%	100.0000%				100.0000%
052-000	1.0000%			0.2500%	1.2500%	80.0000%			20.0000%	100.0000%
080-000	1.0000%		0.1150%		1.1150%	89.6861%		10.3139%		100.0000%
120-000	1.0000%		0.1150%	0.2500%	1.3650%	73.2601%		8.4249%	18.3150%	100.0000%
123-004	1.0000%	0.0053%			1.0053%	99.4728%	0.5272%			100.0000%

Separation of Levy/Collections into 1% General Tax, Debt Service, and Special Assessments:

TRA	Refunds (Tax Total Only - No Spcl Assessments)		Adj/Correctns (Tax Only - No Spcl Asmnts)		Net Total Tax Levy	<u>Special Assessments</u>				Tax (1% Tax + Debt) Less Spcl Assmnts	<u>1% Tax Without Debt</u>		<u>Tin Man Fire Debt Service</u>		<u>Lolly Pop Elem Debt Service</u>		<u>Dorothy High Debt Service</u>	
	Tax Levy	Assessments	Spcl Asmnts	Spcl Asmnts		Oz CSA	Munchkin CSD	Scare Crow Water			Apportn Fctr (See Above)	Net Amount	Apportn Fctr (See Above)	Net Amount	Apportn Fctr (See Above)	Net Amount	Apportn Fctr (See Above)	Net Amount
001-000	1,490,000.00	(450.00)		1,000.00	1,490,550.00			15,000.00		1,475,550.00	100.0000%	1,475,550.00	0.0000%	-	0.0000%	-	0.0000%	-
052-000	250,000.00	(1,455.00)		(125.00)	248,420.00	500.00				247,920.00	80.0000%	198,336.00	0.0000%	-	0.0000%	-	20.0000%	49,584.00
080-000	227,500.00	(366.00)		124.00	227,258.00	460.00		2,500.00		224,298.00	89.6861%	201,164.13	0.0000%	-	10.3139%	23,133.87	0.0000%	-
120-000	26,000.00	(154.00)		(1,254.00)	24,592.00	124.00		6,000.00		18,468.00	73.2601%	13,529.67	0.0000%	-	8.4249%	1,555.91	18.3150%	3,382.42
123-004	101,500.00	(4,556.00)		112.00	97,056.00	-	11,120.00	1,500.00		84,436.00	99.4728%	83,990.85	0.5272%	445.15	0.0000%	-	0.0000%	-
TOTAL	2,095,000.00	(6,981.00)		(143.00)	2,087,876.00	1,084.00	11,120.00	25,000.00		2,050,672.00		1,972,570.65		445.15		24,689.78		52,966.42

Distribution of Net 1% Tax Without Debt:

District	Share of 1% Tax Without Debt (1% Tax * AB-8%)	
	AB-8 %	1,972,570.65
County of Oz	32.150045%	634,182.36
Emerald City	5.011548%	98,856.32
Tin Man Fire Protection	0.325418%	6,419.10
Lion Cemetery	0.154549%	3,048.59
Lolly Pop Elementary	21.545846%	425,007.03
Dorothy High	23.111483%	455,890.33
Wizard Community College	11.000051%	216,983.78
ERAF	6.701060%	132,183.14
Total 1% Tax	100.000000%	1,972,570.65

Recap of Total Distribution by District and Type:

District	1% Tax	Debt Service	Special Assessments	Total
County of Oz	634,182.36			634,182.36
Emerald City	98,856.32			98,856.32
Tin Man Fire Protec	6,419.10	445.15		6,864.25
Lion Cemetery	3,048.59			3,048.59
Lolly Pop Elementa	425,007.03	24,689.78		449,696.81
Dorothy High	455,890.33	52,966.42		508,856.75
Wizard Community	216,983.78			216,983.78
ERAF	132,183.14			132,183.14
Oz CSA			1,084.00	1,084.00
Munchkin CSD			11,120.00	11,120.00
Scare Crow Water			25,000.00	25,000.00
	1,972,570.65	78,101.35	37,204.00	2,087,876.00

TAX SALE DISTRIBUTION WORKSHEET

Sheet 1 -- Example of Tax Sale Proceeds Sufficient to Pay Redemption and some of Current Year Bill

Summary of Distribution of Tax Sale Proceeds

	Documentary	Advertising	Recording	State	County	Notice	Net Available	Redemption	Current Year	Net Excess
	Bid	Transfer	Fee \$3718,	Fee	Sales fee	Sales Fee	Proceeds to	Amount	Taxes (see	Proceeds or
Default #	Amount	Tax	\$4673	\$3718	\$4672	\$4672.1	Pay Redemption	(see details below)	details below)	Deficit
41670	13,425.00	14.85	58.88	10.00	1.50	150.00	and CY Bill	\$4673.1(a), \$4711	\$4673.1(b)	\$4674
								12,989.20	299.20	(133.63)

Distribution of Tax Sale Proceeds for Redemption

Methodology:

Order of Payment: 1) Pay \$15 Fee first (R&T Code \$3698.5). 2) Pay Redemption (R&T Code \$4673.1(a) & \$4711). 3) Pay current year bill if tax sale is after October 31 (R&T Code \$4673.1(b) & \$3712).

Within redemption, determine proration of redemption alternate/Teeter (alt) to non-alternate/non-Teeter (non-alt) (R&T Code \$4711(a)) based on tax /10% pen/cost at time of tax sale (R&T Code \$4671/\$4671.3/\$4673.1/\$4711).

Within redemption, spread pro-rated proceeds among non-alternate (R&T Code \$4711(b)).

Within redemption, spread pro-rated proceeds among alternate to the tax losses reserve fund (R&T Code \$4711(c)).

Tax Type	Tax	10% Pen	Penalty	Total	Fee	Teeter	Non-Teeter	Available to Pay Redemption (from above)	Teeter Pro-rata Share	Loss Borne by Tax Losses Reserve	Excess to Apply to	Non-Teeter Pro-rata Share	Excess Non-Teeter to Apply to	Remaining Unpaid	Excess Teeter + Non-Teeter to Apply to Non-Teeter	Total Non-Teeter to Pay to Jurisdiction	Loss Borne by Non-Teeter Jurisdiction	Excess to Apply to Alts
								13,154.77	11,759.89			1,379.88			119.99			
Teeter taxes	5,435.20	542.40	5,662.30	11,639.90		5,977.60			11,639.90	0.00	119.99							
fee	15.00			15.00	15.00			15.00	includes any									0.00
cost	110.00			110.00			110.00		non-alt excess			110.00	n/a	0.00	0.00	110.00		0.00
library (non-Teeter)	342.40	34.20	580.30	956.90			376.60					956.90	n/a	0.00	0.00	956.90		0.00
ambulance (non-Teeter)	38.40	3.20	26.70	68.30			41.60					68.30	n/a	0.00	0.00	68.30		0.00
fire (non-Teeter)	157.60	15.60	25.90	199.10			173.20					199.10	n/a	0.00	0.00	199.10		0.00
				12,989.20	15.00	5,977.60	701.40	15.00	11,639.90	0.00		1,334.30	0.00	0.00	0.00	1,334.30		0.00
					Pro-rata %		89.50%	10.50%										
Remaining Amount for Current Year Bill:																		165.57

Distribution of Tax Sale Proceeds for Current Year Bill (Applies If Tax Sale is After October 31 (R&T Code \$3712)). This example presumes a Tax Sale Date of November 2.

Methodology:

Pay current year bill if tax sale is after October 31 (R&T Code \$4673.1(b), \$3712 & \$2605). Pay after the redemption is completed (R&T Code \$4673.1(b)).

Within redemption, determine proration of redemption alternate/Teeter (alt) to non-alternate/non-Teeter (non-alt) (R&T Code \$4711(a)) based on tax /10% pen/cost at time of tax sale (R&T Code \$4671/\$4671.3/\$4673.1/\$4711).

Within redemption, spread pro-rated proceeds among non-alternate (R&T Code \$4711(b)).

Within redemption, spread pro-rated proceeds among alternate to the tax losses reserve fund (R&T Code \$4711(c)).

Tax Type	Tax	10% Pen	Total	Total	Teeter	Non-Teeter	Amount Remaining for CY Bill (from above)	Teeter Pro-rata Share	Loss Borne by Tax Losses Reserve	Non-Teeter Pro-rata Share	Loss Borne by Non-Teeter Jurisdiction
							165.57	119.31		46.26	
Teeter taxes	215.60		215.60		215.60			119.31	96.29		
ambulance (non-Teeter)	4.80		4.80			4.80				2.66	2.14
fire (non-Teeter)	78.80		78.80			78.80				43.60	35.20
			299.20		215.60	83.60		119.31	96.29	46.26	37.34
					Pro-rata %	72.06%	27.94%				

This example presumes a property sold at tax sale with both Teeter and non-Teeter jurisdictions. So a portion of any shortfall is borne by the Tax Losses Reserve Fund and a portion is borne by the non-Teeter jurisdictions.

Although R&T Code \$4673.1 order of operations lists assessments prior to taxes, each has an equal priority for tax sale distribution. For the alternate method of distribution of tax levies and collections, utilize the same established priority as provided in R&T Code Chapter 1.3 (commencing with \$4671) to perform the tax sale distribution, then apply funds from the Tax Losses Reserve Fund to any unpaid Teeter apportioned taxes.

TAX SALE DISTRIBUTION WORKSHEET

Sheet 2 -- Example of Tax Sale Proceeds Sufficient to Pay Only Part of the Redemption, but None of the Current Year Bill

Summary of Distribution of Tax Sale Proceeds

	Documentary Bid	Advertising Transfer	Recording Fee	State Sales fee	County Sales Fee	Notice Cost	Net Available Proceeds to Pay Redemption and CY Bill	Redemption Amount (see details below)	Current Year Taxes (see details below)	Net Excess Proceeds or Deficit
Default #	Amount	Tax	\$3718	\$3718	\$4672	\$4672.1	\$4672.2	\$4673.1(a), \$4711	\$4673.1(b)	\$4674
41670	10,275.00	11.28	58.88	10.00	1.50	150.00	35.00	10,008.35	12,989.20	299.20 (3,280.06)

Distribution of Tax Sale Proceeds for Redemption

Methodology: Order of Payment: 1) Pay \$15 Fee first (R&T Code §3698.5). 2) Pay Redemption (R&T Code §4673.1(a) & §4711). 3) Pay current year bill if tax sale is after October 31 (R&T Code §4673.1(b) & §3712).
 Within redemption, determine proration of redemption alternate/Teeter (alt) to non-alternate/non-Teeter (non-alt) (R&T Code §4711(a)) based on tax /10% pen/cost at time of tax sale (R&T Code §4671/\$4671.3/\$4673.1/\$4711).
 Within redemption, spread pro-rated proceeds among non-alternate (R&T Code §4711(b)).
 Within redemption, spread pro-rated proceeds among alternate to the tax losses reserve fund (R&T Code §4711(c)).

Tax Type	Tax	10% Pen	Penalty	Total	To Calculate Pro-rata Share %:			Available to Pay Redemption (from above)	Teeter Pro-rata Share	Loss Borne by Tax Losses Reserve	Excess to Apply to Non-Teeter	Non-Teeter Pro-rata Share	Excess Non-Teeter to Apply to Non-Teeter	Remaining Unpaid Non-Teeter	Excess + Non-Teeter to Apply to Non-Teeter	Total Non-Teeter to Pay to Non-Teeter	Loss Borne by Non-Teeter	Excess to Apply to Alts
					Total Fee	Total Teeter	Total Non-Teeter											
Teeter taxes	5,435.20	542.40	5,662.30	11,639.90		5,977.60		10,008.35	8,943.89	2,696.01	0.00							
fee	15.00			15.00	15.00			15.00	includes any									0.00
cost	110.00			110.00			110.00		non-alt excess			164.59	54.59	0.00	0.00	110.00		0.00
library (non-Teeter)	342.40	34.20	580.30	956.90			376.60					563.48	n/a	393.42	112.90	676.38		280.52
ambulance (non-Teeter)	38.40	3.20	26.70	68.30			41.60					62.24	n/a	6.06	1.74	63.98		4.32
fire (non-Teeter)	157.60	15.60	25.90	199.10			173.20					259.15	60.05	0.00	0.00	199.10		0.00
				12,989.20	15.00	5,977.60	701.40	15.00	8,943.89	2,696.01		1,049.46	114.64	399.48	114.64	1,049.46		284.84
					Pro-rata %	89.50%	10.50%											
Remaining Amount for Current Year Bill:																		0.00

Distribution of Tax Sale Proceeds for Current Year Bill (Applies If Tax Sale is After October 31 (R&T Code §3712)). This example presumes a Tax Sale Date of November 2.

Methodology: Pay current year bill if tax sale is after October 31 (R&T Code §4673.1(b) , §3712, §2605). Pay after the redemption is completed (R&T Code §4673.1(b)).
 Within redemption, determine proration of redemption alternate/Teeter (alt) to non-alternate/non-Teeter (non-alt) (R&T Code §4711(a)) based on tax /10% pen/cost at time of tax sale (R&T Code §4671/\$4671.3/\$4673.1/\$4711).
 Within redemption, spread pro-rated proceeds among non-alternate (R&T Code §4711(b)).
 Within redemption, spread pro-rated proceeds among alternate to the tax losses reserve fund (R&T Code §4711(c)).

Tax Type	Tax	10% Pen	Total	To Calculate Pro-rata Share %:			Amount Remaining for CY Bill (from above)	Teeter Pro-rata Share	Loss Borne by Tax Losses Reserve	Non-Teeter Pro-rata Share	Loss Borne by Non-Teeter
				Total Teeter	Total Non-Teeter						
Teeter taxes	215.60		215.60	215.60			0.00	215.60			
ambulance (non-Teeter)	4.80		4.80		4.80					0.00	4.80
fire (non-Teeter)	78.80		78.80		78.80					0.00	78.80
			299.20	215.60	83.60		0.00	215.60		0.00	83.60
				Pro-rata %	72.06%	27.94%					

This example presumes a property sold at tax sale with both Teeter and non-Teeter jurisdictions. So a portion of any shortfall is borne by the Tax Losses Reserve Fund and a portion is borne by the non-Teeter jurisdictions.

Although R&T Code §4673.1 order of operations lists assessments prior to taxes, each has an equal priority for tax sale distribution. For the alternate method of distribution of tax levies and collections, utilize the same established priority as provided in R&T Code Chapter 1.3 (commencing with §4671) to perform the tax sale distribution, then apply funds from the Tax Losses Reserve Fund to any unpaid Teeter apportioned taxes.

Roll Maintenance Section
Chapter C-2

TEETER / ALTERNATIVE METHODOLOGY

INTRODUCTION

In the 1940s, the Auditor-Controller for Contra Costa County, Mr. Desmond Teeter, proposed an ***Alternative Method of Tax Apportionment***. His idea was expanded and incorporated into R&T Code §4701et seq. on October 1, 1949. Because Mr. Teeter was the author of this alternate method, it is now commonly referred to as the ***Teeter Plan***.

Only five counties originally adopted the Teeter plan. Those counties were Contra Costa, El Dorado, Modoc, Siskiyou, and Solano. In fiscal year 1993-94, after the ***ERAF*** shift was mandated by the State, counties were searching for an offset to their property tax losses. Legislation was passed that allowed counties opting into the Teeter plan to receive a one-time credit known as the ***Teeter credit*** (R&T Code §97.3(a)(5)). See the Main Topic and Methodology below for further explanation. Because of the Teeter credit, many more counties opted to allocate property taxes per the Teeter plan.

MAIN TOPIC

The Teeter plan allows counties to allocate ***secured, utility, assessments, and/or supplemental property taxes*** to ***jurisdictions*** at 100% of the billed amount rather than actual tax collections. The county apportions these levies to all ***taxing jurisdictions*** although 100% of the taxes have not been collected. The county collects all future delinquent tax payments, penalties and interest and distributes them to the appropriate funds. The benefits are twofold: 1) the property tax estimation and allocation process may be simplified, and 2) the jurisdictions have more stable and reliable annual property tax revenues.

METHODOLOGY

Initial year: When the choice to apportion taxes using this method is made, the following steps are taken (R&T Code §4701):

1. The county board of supervisors must adopt a resolution no later than July 15 of the fiscal year for which the Teeter plan is to first apply (October 15 for 1993/94). This resolution states the county's intention to operate under the Alternate Method of Tax Apportionment, (R&T Code §4702(a)). Once adopted, the Teeter Plan remains in effect unless either the county board of supervisors or resolutions from two-thirds of the participating ***revenue districts*** order its discontinuance (R&T Code §4702(a)&(b)).
2. Two funds must be created: a ***Tax Losses Reserve Fund*** and an ***Apportioned Tax Resource Fund***.

- a) A Tax Losses Reserve Fund is established to cover losses, which may occur in the amount of tax liens as a result of sales of **tax-defaulted property** (R&T Code §4703(a)). This fund receives revenues from payment of delinquent penalties, **redemption** penalties and redemption interest (R&T Code §4708 & §4710). Unclaimed **excess proceeds** from the sale of defaulted property are also revenue to this fund (R&T Code §4674).
 - b) An Apportioned Tax Resources Fund, referred to as a **Tax Resource Fund**, is established and used to control the tax charge receivables, collections, and distributions (R&T Code §4703(b)).
3. The initial buyout amount is calculated as follows: The dollar value of the delinquent taxes subject to Teeter is determined and 95% of the amount is apportioned to the participating **taxing agencies**. The remaining 5% are deposited to the Tax Losses Reserve Fund (R&T Code §4713). See the Controls-Reconciling & Balancing chapter for journal entries.

For the fiscal year 1993-1994, those counties opting for the first time to use the Teeter plan were allowed a one-time **Teeter credit** (R&T Code §97.3(a)(5)&(6)). Those counties opting in for the first time after fiscal year 1993-94 follow the provisions in R&T Code §97.36(a). The credit was that portion of the initial buyout distributed to the school districts (does not include **basic aid schools**).

Current year: After the current year **levy** is determined, the full amount is apportioned to all jurisdictions. **Reverse apportionments** are completed for corrections, cancellations and refunds from the current and prior year tax rolls (R&T Code §4707). Exactly how these apportionments are accomplished varies with participating counties and depends greatly upon individual system capabilities (R&T Code §4705). General practice and cash flow limitations allow for allocations throughout the year at the discretion of each county. For adjustments to the Taxes Losses Reserve Fund concerning defaulted tax sales, see the “Controls - Reconciling & Balancing” chapter.

Tax Losses Reserve Fund Transfers: A county electing to make transfers from the Tax Losses Reserve Fund shall base that transfer on either of the following calculations:

1. Whenever, in any year, the amount in this fund exceeds 1% of the total of all taxes Teetered on the **secured roll** for the participating entities, the amounts authorized to be credited to this fund MAY, for the remainder of that year, be credited to the county general fund (R&T Code §4703). (Note: This percentage has been revised downward throughout the years as follows: October 1, 1949 - 5%; September 17, 1987 - 4%; October 6, 1993 - 3%; May 11, 1995 - 2%; and October 16, 1995 – 1%)
2. b. An alternative procedure, upon county resolution, requires that not less than 25% of the county total delinquent secured taxes and assessments, as calculated at year-end for participating entities, must be maintained in the fund. At the end of the fiscal year any excess of the 25% MAY be credited to the county general fund (R&T Code §4703.2(c)). Prior to October 16, 1995, the percent factor was 50%.

ADDITIONAL CONSIDERATIONS

There are special legislative provisions for certain counties. Review the code sections referenced above.

Apportionment may be based on collections, levy, or a combination of the two, when not all districts are included in the Teeter plan.

ACCOUNTING TREATMENT

Please review your county's method before apportioning property taxes. See the "Controls - Reconciling & Balancing" chapter for specific entries.

RELATED TOPICS/CHECKLISTS

Apportionment of taxes and subventions;
Teeter & non-Teeter (Chapter C-1)
Controls - Reconciling & Balancing (Chapter F-4)

**Roll Maintenance Section
Chapter C-3**

MISCELLANEOUS TAXES

- Part 1: U.S. Fish & Wildlife Revenue Sharing**
- Part 2: State Fish & Game In-lieu of Taxes**
- Part 3: Timber Yield Tax**
- Part 4: Federal Grazing Fees**
- Part 5: State Highway Property Rental Tax**
- Part 6: Racehorse Tax**
- Part 7: Open-Space Subvention**
- Part 8: Homeowners' Property Tax Exemption Reimbursement**
- Part 9: State Disaster Property Tax Relief Claims**
- Part 10: Apportionment of Subventions–US Forest Reserve**
- Part 11: Williamson Act Benefit Assessments**
- Part 12: Prior Year Restricted Money**

**Part 1
U.S. FISH & WILDLIFE REVENUE SHARING**

INTRODUCTION

The U.S. Fish and Wildlife Service (FWS) is a division of the U.S. Department of Agriculture. It is charged with the administration of the payment of monies from the Refuge Revenue Sharing Act of 1978 (Act), which was enacted under Public Law 95-469. This Act relates entirely to the Fish and Wildlife land, and as such, it differs from the other Federal Revenue Sharing payments made to local governments.

MAIN TOPIC

Payments authorized by the Act, in the form of *in-lieu* taxes, represent compensation by the Federal government to local governments on lands acquired by the FWS that are removed from the tax rolls. Lands included under the provisions of the Act are those administered solely by the FWS such as National Wildlife Refuge, National Fish Hatcheries, Waterfowl Production Areas, administrative sites, laboratories and research centers, as well as public domain lands under the primary jurisdiction of the U.S. Fish and Wildlife Service. These lands are appraised by the FWS at least once every 5 years

METHODOLOGY

The sources of revenues to pay local governments under the Act consist of net income derived by the FWS from the sale of products and privileges from timber sales, grazing fees, permit fees, oil and gas royalties, etc. If these revenues are not sufficient to meet the

required payments, Congress is authorized to appropriate funds to make up the deficit. Otherwise, payments are reduced accordingly.

The Code of Federal Regulations (CFR) under Title 50, Chapter I, Section 34.5 provides the guidelines of the methods of calculating and distributing the payments to local governments. Payments of these in-lieu taxes are usually made during the first part of each calendar year. The highlights of the foregoing Section are as follows:

1. The law authorizes the payments to counties on 25% of the net receipts collected by the FWS for certain activities permitted on reserve lands within the county. Reserve lands as defined by FWS refer to other government lands not deeded to FWS, which the agency manages.
2. The law authorizes the FWS to make payment to counties where FWS-owned lands are located, based on the following computations, whichever is greater:
 - 0.75% of the fair market (appraised) value of the FWS-owned land;
 - \$0.70 per acre for the total acreage owned by the FWS; or
 - 25% of net receipts collected for certain activities permitted on the FWS-owned land.

When any of the FWS-owned land is situated in more than one county, the payment shall be apportioned in proportion to the acreage each county has to the total acreage subject to the payment of taxes.

The county that levies and collects real property taxes receives the payment. The county shall distribute the payment to all eligible **taxing jurisdictions** within 90 days of receipt of the payment. The county is responsible to pass-through funds to taxing jurisdictions that incur the loss of tax revenue by reason of the **exemption** from property taxation of FWS lands. Each jurisdiction is entitled to the same proportion as its current tax loss bears to the current whole tax loss and the distribution factor may be determined by any suitable method to achieve an equitable result. Funds received by the entity may be used for any governmental purpose.

Part 2

STATE FISH AND GAME IN-LIEU OF TAXES

INTRODUCTION

The Fish and Game ***In-Lieu*** of taxes is a fee paid by the California Department of Fish and Game (Department) to reimburse counties under whose jurisdiction certain properties are operated by the state as wildlife management areas. Fish and Game Code (F&G) §1504 authorizes the reimbursement of taxes to the county of jurisdiction in which these parcels are located.

MAIN TOPIC

As defined by the Code, wildlife management areas include waterfowl management areas, deer ranges, upland game bird management areas, and public shooting grounds. The fee paid by the Department is in-lieu of taxes, which would have otherwise been collected by the county on the designated ***parcels***. Also, the fee includes the payment of ***assessments*** levied upon the property by any irrigation, drainage, or reclamation district. The fee remains the same because the value of the designated property is determined at the time of acquisition by the State and does not increase with the changes in the ***tax rate*** or ***market value***.

METHODOLOGY

Every year, the Department sends a schedule of property in each wildlife area to all affected counties (Exhibit 1). The county reviews the schedule and must issue a separate written certification for each wildlife area based on the following:

- The amount of annual in-lieu fee liability, as shown on the schedule, is equal to and does not exceed the amount of taxes levied on the described ***real property***, transferred to the State.
- The ***assessed valuation*** of the described property is the same as it was at the time the property was acquired by the State.
- The county tax rate on the described property is the same as it was at the time it was acquired by the State.
- The amount certified/claimed does not include assessments of any nature in the year of acquisition.

To file a claim, the county must submit to the Department an invoice requesting the payment of in-lieu fees for the year. Only one invoice is submitted annually with a cumulative total for all wildlife areas, but each area and the fiscal year owed should be separately itemized on the

invoice. When the money is received, it is distributed to the various **taxing jurisdictions** based on the original billing year's **AB-8** factors at the **Tax Rate Area (TRA)** level, adjusted for the removal of the school district, community college district and the county superintendent of schools.

The claim for continuing in-lieu taxes must be submitted to the Department no later than December 10 of the **fiscal year** claimed for timely payment. For property newly acquired by the State, the following provisions of F&G Code §1504(f) should apply to claim the first in-lieu tax payment:

- Payments shall be made within one year of the date title to the property was transferred to the state; or,
- Within 90 days from the date of designation as a wildlife management area, whichever occurs first, prorated for the balance of the year from the date of designation as a wildlife management area to the 30th of June following the designation as a wildlife management area.

State of California
The Resources Agency
CALIFORNIA DEPARTMENT OF FISH AND GAME

Wildlife Area In-Lieu Fee Schedule
Revised November 7, 1997

For in-lieu fee liability pursuant to Section 1504 of the Fish and Game Code, the following information is submitted:

Wildlife Area: **Cowardly Lion**

County of: **Oz**

Effective date of liability for in-lieu fees: **November 8, 1990 or date of extension**

APN	Acres	Recording Date		Value	Taxes	Tax Rate
			Year			
146-240-003	97.00	08/29/90	1990/91	11,301	114.81	1.0160
146-240-007	270.50	08/29/90	1990/91	31,573	390.57	1.0160
146-240-008	83.00	08/29/90	1990/91	9,670	98.28	1.0160
146-240-018	53.98	08/29/90	1990/91	36,155	410.16	1.0160
134-270-018	1,018.06	10/25/95	1995/96	264,740	2,675.20	1.0000
134-270-017	264.80	02/07/97	1996/97	85,975	859.74	1.0000
TOTAL ACRES		1,787.34	TOTAL ANNUAL IN-LIEU FEE LIABILITY		4,548.76	

Taxes from 1990/91 tax roll.

Parcels 146-240-007 and 134-270-018 include drainage assessment

EXHIBIT 1

State of California
The Resources Agency
DEPARTMENT OF FISH AND GAME

Certification Form for Wildlife Area In-lieu Fee Liability

For Wildlife Area in-lieu fee liability pursuant to Section 1504 of the Fish and Game Code,
I certify that:

1. The amount of annual in-lieu fee liability, as shown on the attached table(s), is equal to and does not exceed the amount of taxes levied on the described real property, transferred to the State of California;
2. The assessed valuation of the described property is the same as it was at the time the property was acquired by the State;
3. The County tax rate on the described property is the same as it was at the time it was acquired by the State; and
4. The amount indicated below does not include the assessments of any nature.

Wildlife Area: Cowardly Lion

Fiscal Year: 1998/99

Annual In-Lieu Fee Liability: \$4,548.76

Signature:

Title: Auditor-Controller

Date:

FOR DEPARTMENT OF FISH AND GAME USE ONLY

APPROVED: _____

DATE: _____

TITLE: _____

ACCOUNT CODE: _____

EXHIBIT 2

Part 3 TIMBER YIELD TAX

INTRODUCTION

The **Timber Yield Tax** is a tax paid in lieu of **ad valorem** property tax and is based on cut timber. Revenue & Taxation Code (R&T) §38103 defines timber as “trees of any species maintained for eventual harvest for forest products purposes, whether planted or of natural growth, standing or down, including Christmas trees, on privately or publicly owned land, but does not mean nursery stock.” The imposition of the Timber Yield Tax is authorized under subdivision (f), Section 3 of Article XIII of the California Constitution. The purpose of the tax is to encourage the continued use of timberlands for the production of trees for timber products.

MAIN TOPIC

R&T Code §38903 created the State Timber Tax Fund (Fund) administered by the **State Board of Equalization (BOE)** for the purpose of accumulating all taxes, interest, penalties and other amounts collected relative to the cutting of the timber. The Timber Yield Tax is paid by the taxpayer to the BOE every quarter, on or before the last day of the month following the end of the quarterly period being reported.

METHODOLOGY

R&T Code §38110 defines Timber Yield Tax as “the dollar amount derived by multiplying the net volume of harvested timber by the appropriate immediate harvest value per unit and by the yield tax rate.” The yield tax rate is adjusted annually by the BOE among rate adjustment counties, on or before December 31, based on predetermined criteria established in R&T Code §38202. The new rate is submitted to the Director of Finance and the Legislature for implementation on the next calendar year. For a list of rate adjustment counties, refer to R&T Code §38105.

On November 30 and May 31 of each fiscal year, the State Controller’s Office remits to the county their percentage share of the Fund, after deducting the State’s costs. The county auditor shall distribute the Timber Yield **In-Lieu** tax to all the **taxing jurisdictions** within 10 days of receipt. This is unrestricted revenue to the taxing jurisdictions (R&T Code §38908). Distribution is made based on R&T Code §38905.1(b) from factors calculated on the jurisdiction’s minimum revenue guarantee determined pursuant to Government Code (GC) §27423. Normally, these factors remain constant (GC §27423(b) and GC §27423(c)) except when a bond is paid in full or a jurisdiction dissolves. If this happens, the corresponding factor is added to the general fund of the appropriate jurisdiction.

GC §27423(d) requires the auditor to certify to the State Controller, by July 15 of each year, any new or revised amount of property tax revenue attributable to timber for each taxing agency that underwent **reorganization** or functional **consolidation**, or received voter approval to levy an additional property **tax rate**.

Part 4

FEDERAL GRAZING FEES

INTRODUCTION

The federal grazing fee was imposed under the authority of the Taylor Grazing Act passed on June 28, 1934. The purpose of the Act was to protect public lands from over-grazing and soil deterioration; promote its orderly use, promote development and improvement; and stabilize the livestock industry.

The grazing fee is established annually by the office of the Secretary of Interior. The fee is "per animal month" and paid to the federal government by the livestock operator.

MAIN TOPIC

There are two categories of grazing fees authorized to be charged under the Taylor Grazing Act. These are the following:

1. Grazing permits - a fee paid that allows the grazing of a specified number and class of livestock on designated areas during specified seasons each year. The federal government allocates 12.5% of the total fees collected to applicable states (Section 3 of the Taylor Grazing Act).
2. Grazing lease - a fee that allows the grazing of livestock on public lands outside of the grazing district during a specified period of time. This type of fee, collected by the federal government, is distributed as follows: 50% to Bureau of Land Management and 50% to the applicable states (Section 15 of the Taylor Grazing Act).

METHODOLOGY

Funds received by the State from the federal government as a result of grazing fees collected pursuant to the Taylor Grazing Act shall be deposited in the State Treasury in a special fund created known as the United States Grazing Fees Fund Public Resources Code (PR) §8555. The State Controller maintains a record of all payments received from the federal government on account of grazing lands or districts located in each county in the state. The guidelines that govern the distribution and expenditure of these fees as specified in PR Code §8555, §8556, and §8557.5 are outlined below:

1. The State Controller shall pay the treasurer of each county entitled to receive payment from the collection of the grazing fees on or before June 30 of each year.
2. The payment made to each county is proportional to their grazing area as established by the Secretary of Interior or other authorized official of the federal government.

3. Upon receipt of the funds, the county auditor shall deposit the money in a special account and expenditures shall be restricted only within the county for range improvements and control of predators.

To ensure that expenditures are in compliance with the law, PR §8557.5 requires the following:

- The county should create a grazing advisory board whose members shall be appointed by the county's Board of Supervisors.
- The members shall receive no compensation or reimbursements for personal expenses.
- The advisory board shall meet at least once a year and recommends to the Board of Supervisors plans or projects of range developments and predator control to spend the money as collected authorized by the Code.

Part 5 STATE HIGHWAY PROPERTY RENTAL TAX

INTRODUCTION

Under the Streets and Highways Code (S&H) §104.6, the State Department of Transportation (DOT) is authorized to acquire real property for state highway purposes. This authority includes the acquisition of real property for future needs. Property acquired by the State is removed from the current local roll and exempt from future property taxation. A portion of any rents received by the State is distributed to the Counties.

MAIN TOPIC

The DOT is authorized to lease any real property acquired that is held for state highway purposes and not presently needed. The real property may include structures already constructed on lands acquired for which the DOT is authorized to make repairs and maintenance in order to secure rent.

METHODOLOGY

The DOT deposits all rents from the property acquired under S&H Code §104.6 to the State Highway Account in the State Transportation Fund. The DOT shall certify to the State Department of Finance the amount of rentals attributable to each county. At the same time, the DOT notifies each county of the rental and location of each piece of rental property in their county for which rents have been received. The legislation requires that 24% of rental money in the State Highway Account be distributed to the counties. Furthermore, the law mandates that the Department of Finance shall pay the rents to the county where the rental property is situated on or before the first day of November following the close of any fiscal year.

The funds received by the Auditor-Controller under this program are distributed in accordance with S&H Code §104.10 as follows:

1. In unincorporated areas, as determined by the Board of Supervisors; and
2. In incorporated areas, 50% to the appropriate city and the remaining 50% as determined by the Board of Supervisors.

Part 6 RACEHORSE TAX

INTRODUCTION

Revenue & Taxation Code (R&T) §5701 established the racehorse tax as an *in-lieu* of any property tax to the owners of racehorses in California. The intent of this tax is to establish a more equitable method of taxing racehorses in order to provide the owners of these horses an incentive to own, breed, train, and racehorses in the state.

R&T Code §5703 defines racehorse as "a live horse, including a stallion, mare, gelding, ridgeling, colt, filly, or foal, that is or will be eligible to participate in or produce foals which will be eligible to participate in a horseracing contest within California." However, the Code excludes in its definition of a racehorse the following:

- A horse over three years old, or four years old in the case of an Arabian horse; or
- A horse that has not participated in a horserace contest on which wagering was permitted; or
- A horse that has not been used for breeding purposes in order to produce racehorses during the two previous calendar years.

MAIN TOPIC

The in-lieu tax is imposed and paid annually by racehorse owners based on a tax schedule outlined in R&T Code §5722. On a form provided by the Assessor's Office, the owner of the racehorse shall report the tax due to the tax collector in the county where the racehorse is domiciled (Exhibit 1). The tax is determined as of January 1 (lien date) of each calendar year. It is due and payable on or before the 15th of February of the calendar year for which it is imposed (R&T Code §5782). R&T Code §5763 imposes a penalty of 6 percent after the tax becomes delinquent and an additional penalty of 1% on the first day of each calendar month after the tax becomes delinquent until the tax and penalties are fully paid.

METHODOLOGY

The Auditor-Controller distributes the tax and penalties as they are collected. The following summarizes the provisions of R&T Code §5790 that governs the allocation of the collection of the racehorse tax and penalties (Exhibit 2):

- a. If the racehorse is domiciled within a **Tax Rate Area (TRA)** in which both a city and any school district exist, the taxes and penalties are distributed as follows: one-third to the city, one-third to the school district (excluding colleges), and one-third to the county.

- b. If the racehorse is domiciled within a TRA that is outside the city but within one or more school districts, the taxes and penalties are distributed one-half to the school districts (excluding colleges) and one-half to the county.
- c. If the racehorse is domiciled within a TRA in which both an elementary school district and a high school district exist, the taxes and penalties are divided equally between the elementary and high school districts (excluding colleges) to the exclusion of the other school districts.

ANNUAL RACEHORSE TAX RETURN
To the Tax Collector of the County of Oz

King Crow
 County of Oz
 State of California

Make necessary corrections to the printed name and mailing address.

2. Local Phone. : (911) 911-9111

Type of Ownership: Proprietorship (☒) Partnership () Syndicate () Corporation ()

Other _____

Name, address, and phone number (including area code) of authorized contact for audit:

King Crow, County of Oz, State of California

Zip Code _____ Phone Number () _____ Street Address, City, State

Code where the books and records are located _____

LIST ALL RACEHORSES OWNED AS OF 12:01A.M. JANUARY 1, 20XX AND DOMICILED IN THIS COUNTY

Name of Racehorse (A)	Registration Number (B)	Age (C)	Class-ification (D)	Breed (E)	Date Acquired (F)	(G) Domicile		(H) Prior Calendar Year Earn		Annual Tax Due (I)	FOR COUNTY USE ONLY
						Address	School Dist or Tax Rate Area No.	Amount	Source		
<i>Toto</i>		<i>5</i>	<i>XYZ</i>	<i>ABC</i>	<i>Dec 20XX</i>	<i>Emerald City (a)</i>	<i>w/in city &</i>	<i>4,000.00</i>	<i>Racing</i>	<i>40.00</i>	
							<i>school dist.</i>				
<i>Castle</i>		<i>5</i>	<i>XYZ</i>	<i>ABC</i>	<i>Dec 20XX</i>	<i>Emerald City (b)</i>	<i>outside city</i>	<i>0.00</i>	<i>Non-active</i>	<i>20.00</i>	
							<i>w/in sch dis</i>				
<i>Dorothy</i>		<i>5</i>	<i>XYZ</i>	<i>ABC</i>	<i>Dec 20XX</i>	<i>Emerald City (c)</i>	<i>w/in both</i>	<i>1,300.00</i>	<i>Racing</i>	<i>40.00</i>	
							<i>elem school</i>				
							<i>& high sch</i>				
							<i>district</i>				

Are you filing an Annual Racehorse Tax Return for this period in any other county?

() Yes (☒) No If yes, what county/ies? _____

I certify (or declare) under penalty of perjury under the laws of the State of California that this return, including any attachments, is true, correct, and complete to the best of my knowledge and belief. If prepared by a person other than the taxpayer, his declaration is based on all information of which he/she has knowledge.

Signed _____

Title _____ Date _____

If incorporated, show complete corporate name _____

 () _____ Date _____

(Signature of Preparer other than taxpayer and telephone number)

If more lines are needed, attach a separate schedule. If you do not owe racehorse tax in this county, so indicated on the form, sign it and return it to the Tax Collector.

Taxes Due

(1) (Note: Racehorse taxes are due and payable at 12:01 a.m. January 1, 20XX

Penalties

Added

(2) If the tax is paid after 5 p.m. on February 15, add 6% of taxes due, as shown on line (1)

(3) An additional 1% per month penalty accrues on any unpaid tax shown on line (1) on March 1 and the first day of each month thereafter

(4) If return is filed after 5 p.m. on February 15, add 10% of the taxes due shown on line (1)

Total Taxes and Penalties Due

100.00	
100.00	

EXHIBIT 3

COUNTY OF OZ
Auditor-Controller's Office
Schedule of Racehorse Taxes Distribution
December 31, 20XX

Name of Horse	Address	TRA	Tax	County of Oz	Winkies USD	Emerald City	Munchkin Elem Sch	Munchkin High Sch
<i>Toto</i>	<i>Emerald City (a)</i>	<i>1000</i>	<i>40.00</i>	<i>13.33</i>	<i>13.34</i>	<i>13.33</i>		
<i>Castle</i>	<i>Emerald City (b)</i>	<i>2010</i>	<i>20.00</i>	<i>10.00</i>	<i>10.00</i>			
<i>Dorothy</i>	<i>Emerald City (c)</i>	<i>3100</i>	<i>40.00</i>	<i>20.00</i>			<i>10.00</i>	<i>10.00</i>
TOTAL			<i>100.00</i>	<i>43.33</i>	<i>23.34</i>	<i>13.33</i>	<i>10.00</i>	<i>10.00</i>

EXHIBIT 4

Part 7

OPEN-SPACE SUBVENTION

INTRODUCTION

The Open-Space **Subvention** was established as a relief to local governments whose jurisdictional lands are threatened with development or urbanization, and as a result, have declared them as open-space. This subvention is paid to eligible cities and/or counties, or school districts to provide replacement revenues to these affected local governments by reason of the reduction of the property tax on open-space lands assessed within their respective jurisdiction. The payment is authorized by statutes commencing with Government Code (GC) §16140 et seq.

MAIN TOPIC

GC §16144 provides that on or before October 31 of each year, the governing body of all eligible city, county, or city and county, shall file a report to the Secretary of the Resources Agency, the number of acres of land under its respective jurisdiction that qualify for the payment of this subvention. The State Controller under direction from the Secretary of Resources Agency, shall pay each eligible agency, the amount it is entitled to receive under the program, on or before June 30 of each year.

METHODOLOGY

The state pays each eligible agency based on the following schedule (R&T Code §16142):

- \$8 per acre for prime agricultural land (GC §51201 et seq., California Land Conservation Act (Williamson Act)). This amount may be increased to a figure at the discretion of the Secretary of the Resources Agency. Also, payment for this category shall only be paid for 10 years if the owner of the land will not renew its contract or agreement for open-space easement.
- \$1 per acre for all land, other than prime agricultural land devoted to "open-space uses of statewide significance".
- Per GC §16143, Open-space uses of Statewide Significance refers to lands which could be developed primarily as agricultural land or one which constitutes a resource whose preservation is of more than local importance for ecological, economic, educational, or other purposes as defined by the Secretary of the Resources Agency.

The following are the guidelines for the administration and/or allocation of the subventions received from the State Controller's Office (GC §16145):

- The funds may be used for any city, county, or city and county purposes but shall include the administration, supervision, and enforcement of any open-space program under which the fund was received.

- It may be allocated, all or in part to any special district or school district existing within the boundaries in which the land assessed was subject to the payment of the subvention.

Any special district or school district may make an application for an allocation of the funds before the governing board of the local government having jurisdiction of the funds. However, the governing board is not required to make any allocation to any special district and/or school district; and therefore, the governing board is the sole authority with regard to the disposition of the subvention received.

Part 8

INTRODUCTION

The Homeowners' Property Tax Exemption Reimbursement is a **subvention** paid by the state to each county as authorized under subdivision (k) of Section 3 and Section 25 of Article XIII of the State Constitution. It is an annual reimbursement made by the State to taxing entities for lost tax revenues resulting from **exemptions** granted to homeowners on the first \$7,000 (\$5,600 for late filing) of the **assessed value** of their principal place of residence.

MAIN TOPIC

Per Government Code (GC) §29100.6, on or before December 1 of each year the County Auditor shall file with the State Controller, a statement of the amounts of exempt values for which a tax **levy** is carried on the county **assessment** roll. Based on a format prescribed by the State Controller, the Auditor shall show the calculation and the amount of tax loss for all taxing entities in the county from the exemptions granted. The Auditor shall submit a certified statement to the State Controller for the amount claimed for reimbursement (refer to the section on State Reports, Chapter F-6, on the form used).

METHODOLOGY

Revenue and Taxation Code (R&T) §218 provides the various criteria in determining the type of dwelling that qualifies for a **homeowner's exemption**. The following is the schedule of reimbursements made to the County Auditor to be distributed to taxing entities as outlined in GC §16120:

- On or before November 30 = 15%
- On or before December 31 = 35%
- On or before April 30 = 35%
- On or before May 31 = 15%

ADDITIONAL CONSIDERATIONS

The Homeowners' Claim is due to the State on or before December 1st. The first payment based on that claim is scheduled for the end of November. To ensure receipt of the first payment by the scheduled date, the claim should be submitted to the State by mid-November. If it is received by the State after that time, the first payment may be delayed and included with the second payment at the end of December.

Part 9

STATE DISASTER PROPERTY TAX RELIEF CLAIMS

INTRODUCTION

Periodically, fire, flood and other calamities cause a property to be eligible for disaster relief via the County Assessor pursuant to Revenue and Taxation Code Division 1, Part 1, Chapter 2.5 commencing with §170. The Governor may also declare a State of Emergency when a specific disaster affects a significant number of properties. In response, the State Legislature may authorize relief for lost **ad valorem** property taxes for certain State of Emergencies. Typically, amendments are made to R&T Code §194 et seq., to authorize such relief. The County (typically administered by the Auditor) may seek reimbursement within the timeframe specified by the legislation.

MAIN TOPIC

The purpose of this chapter is to discuss the tax relief claiming process to the State. Information on the Auditor's processing of the Assessor's work related to the R&T Code §170 Calamity for an individual property owner may be found in Chapter C-7, Part 11, Calamity Processing (to be written in 2008).

METHODOLOGY

For the County to be eligible for relief reimbursement, several key requirements must be met:

- ❑ The property is located in the area proclaimed by the Governor to be in a state of emergency.
- ❑ The Board of Supervisors has adopted an ordinance providing property tax relief for disaster victims as provided in Section 170.
- ❑ The property has sustained substantial disaster damage and the disaster resulted in the issuance of a state of emergency proclamation by the Governor.
- ❑ The property is **real property** (not **unsecured** property) and any manufactured home, including any **new construction** that was completed or any **change of ownership** that occurred prior to the date of the disaster.

The following are typically the reimbursable components for a property tax disaster relief claim:

- 1) Both the **secured** and **supplemental** rolls for the timeframe indicated in the specifically applicable legislation.
- 2) The total of the 1% ad valorem property tax revenues lost due to R&T Code §170 processing. However, the County can not claim lost revenues for both non-**basic aid school** districts and the County Office of Education.
- 3) The total of any ad valorem **general obligation bond** revenue lost due to R&T Code §170 processing.

Claims must be made by the timeframe specified in the legislation. It is acceptable to only have an "estimate" of lost property taxes for the claim. However, the legislation will provide a date (usually the end of the **fiscal year**) by which the County must calculate a "true up"

between the estimated claim and the actual revenue lost. Any overpayment by the State must be reimbursed to the State by the specified date.

Reimbursement claims should include supporting documentation sufficient to substantiate the claim. Although it would be prudent to validate the address, as of 2008 the claim should be sent to:

Department of Finance
Local Government/Tax Relief/Property Tax Unit
915 L. Street, 8th floor
Sacramento, CA 95814

The State Controller will verify the Auditor's claim. Within 30 days following verification, the State Controller will certify the amount to the Director of Finance. Within 10 days of the certification to the Director of Finance, the State Controller will make the appropriate allocation to the County.

**STATE DISASTER PROPERTY TAX RELIEF
SAMPLE CLAIM TO STATE ON COUNTY LETTERHEAD**

Date: June 1, 2016

Department of Finance
Local Government/Tax Relief/Property Tax Unit
Attn: Auntie Em
915 L Street, 8th Floor
Sacramento, CA 95814

RE: Disaster Relief AB 62 Claim for County of Oz

The County of Oz hereby submits its claim pursuant to AB62, Statutes of 2007 for property tax disaster relief due to the wildfire commencing on July 10, 2007 known as the Poppy Fields Fire.

Enclosed are details of the claim totaling \$40,272.70. Please remit payment to Oz County at the address shown on the letterhead.

Regards,

Glenda the Good Witch
Property Tax Division Manager

Exhibit 5

**STATE DISASTER PROPERTY TAX RELIEF
SAMPLE CLAIM TO STATE ON COUNTY LETTERHEAD**

**COUNTY OF OZ
AB 62 - Claim for Property Tax Disaster Relief
POPPY FIELDS FIRE COMMENCING JULY 10, 2007
FOR THE FISCAL YEAR 2007/08**

Assessor's <u>Parcel Number</u>	Section 170 Tax Loss to <u>601 Tax Roll</u>	Section 170 Tax Loss to Supplemental <u>Tax Roll</u>	Section 170 Total <u>Tax Loss</u>
023-591-07-100	5,123.50	-	5,123.50
023-591-08-100	9,654.54	-	9,654.54
023-591-14-100	127.48	-	127.48
023-691-04-100	587.96	-	587.96
033-441-08-100	4,701.24	-	4,701.24
033-441-09-100	852.14	-	852.14
033-441-10-100	50.44	3,584.26	3,634.70
033-441-11-100	8,189.00	-	8,189.00
033-442-01-100	7,412.54	-	7,412.54
033-442-02-100	963.24	-	963.24
033-442-03-100	852.44	-	852.44
033-442-06-100	2,587.36	-	2,587.36
033-442-10-100	6,547.18	-	6,547.18
033-565-05-100	3,217.66	-	3,217.66
033-565-07-100	5,697.88	-	5,697.88
033-571-02-100	4,962.12	-	4,962.12
033-571-04-100	2,541.00	-	2,541.00
033-572-02-100	457.98	548.76	1,006.74
033-572-06-100	668.36	-	668.36
Total Change in Tax Liability	<u>65,194.06</u>	<u>4,133.02</u>	<u>69,327.08</u>

TAX LIABILITY LOSS ELIGIBLE FOR CLAIM TO STATE

69,327.08					
	<u>Tax Rate</u>	<u>Non-Claimable</u>	<u>Tax Loss</u>	<u>Claimable</u>	<u>Tax Loss</u>
		<u>% **</u>		<u>% ***</u>	
Munchkin Unified School	0.019917%	0%	-	100%	1,345.63
Great Wizard Community College	0.006212%	0%	-	100%	419.69
Countywide 1% General Taxes	1.000000%	41.90914%	<u>29,054.38</u>	58.09086%	<u>40,272.70</u>
	<u>1.026129%</u>				

07/08 AB-8 FACTORS

General Taxes Less Schools*	51.23536%	
Colleges	5.25318%	
ERAF for Colleges	<u>1.60232%</u>	
Total AB-8 Factor Claimable		58.09086% **
K-12 + Cnty Superintendent	32.14750%	
ERAF (K-12 + Office of Ed)	<u>9.76164%</u>	
Total AB-8 Factor Non-Claimable		41.90914% ***
Grand Total		<u>100.00000%</u>

* Schools = K-12 + County Superintendent of Schools + ERAF's non-college share

Part 10

APPORTIONMENT OF SUBVENTION – US FOREST RESERVE

INTRODUCTION

U.S. Forest Reserve payments are paid to 39 California counties in which National Forests and other public lands are located. The payments are intended to compensate the counties for:

- Revenues that would otherwise be received if the lands were held in private ownership and
- Critical services counties provide to visitors to these public lands

MAIN TOPIC

U.S. Forest Reserve payments were originally authorized by Congress in 1908. Twenty five percent of revenues derived from the National Forest System were to be paid to States for use by the counties in which the lands were situated for the benefit of public schools and roads.

Program revenues generated for counties increased over the next several decades due to the growth of Federal timber sales. Counties came to rely on the revenue and it became a major source of funding for schools and roads. However, revenues decreased sharply in the 1980's-1990's as environmental concerns forced curtailment of timber sales from many Forest Service lands. In 1993 Congress created an alternative "safety net" transition payment for those counties where Federal timber sales had been severely restricted or prohibited. In 2000 new legislation (Public Law 106-393) extended the expiring safety net plan. In 2008 Congress again modified and extended the program to 2011 as the Secure Rural Schools Act (SRS2008) Public Law 110-343. SRS 2008 narrows the activities that can be funded under Title III programs. The Secure Rural Schools (SRS) program expired on September 30, 2014. On April 16, 2015 the President reauthorized the SRS program for two years effective as of March, 2017. The deadline for the Secretary (Forest Service) to obligate the Title II funds and the county to obligate the Title III funds was extended to September 30, 2018. Please verify with the website, <https://www.fs.usda.gov/pts/> regarding claiming dates as the Federal Government updates this site.

METHODOLOGY

Under the 2008 Act, participating counties elect to receive either a share of the State's payment (formula payment) or a fixed percentage payment of 25 percent based on a 7 year rolling average. A county's election to receive the 25 percent fixed payment is effective for 2 years and must be renewed or payments will revert to the formula payment method.

Government Code (GC) §§29480-29484 specify how fixed percentage payments are to be distributed to counties and how they are to be allocated within the county. It is the State Controller's responsibility to allocate this revenue to the counties on or before June 30 of each year. Upon receipt, the County Auditor is to apportion 50 percent of the money to a forest reserve account in the county school service fund, and 50 percent to the credit of the road fund. If the county elects the formula payment option, the SRS2008 Act specifies how the funds should be allocated between Titles I, II and III.

Title I funds will be disbursed and apportioned to schools and roads in the same manner as fixed percentage payments. Title II funds are held in Forest Service accounts for use on approved local projects. Qualifying Title II projects include public land maintenance and improvement projects proposed by the local Resource Advisory Committee and approved by the Forest Service. Title III funds will be disbursed to the State and counties and allocated to fund approved fire prevention programs or to reimburse counties for emergency services performed on Federal land.

Additional conditions and restrictions

If the county receives greater than \$100,000 annually, the Act requires the county to make an additional election by September 30 each year. This election specifies an amount, not less than 15 percent and no greater than 20 percent, to be allocated to Title II and/or Title III projects. For counties that receive \$350,000 or greater, the county may allocate no more than 7 percent to Title III.

If a county fails to submit the required elections (allocations) by the September 30 deadline, it is considered an election to return 15 percent of the county's share to the U.S Treasury in lieu of allocating the funds to Title II and/or Title III projects. The remaining 85% continues to be available to schools and roads.

The deadline for a county to initiate Title II and Title III projects is September 30, 2017 of each year that allocations are authorized. This deadline applies to projects using FYs 2008-2012 funds as well as those for FY 2015 funding. The deadline for the Secretary concerned to obligate the title funds and for the county to obligate the Title III funds has been extended to September 30, 2018.

Refer to the Forest Service's Secure Rural Schools Act Reauthorization Decision Tree in Exhibit 7. In addition, the following URL links to a user guide to assist external users:

www.fs.usda.gov/Internet/FSE_DOCUMENTS/stelprd3838801.pdf

Secure Rural Schools Act Reauthorization Decision Tree

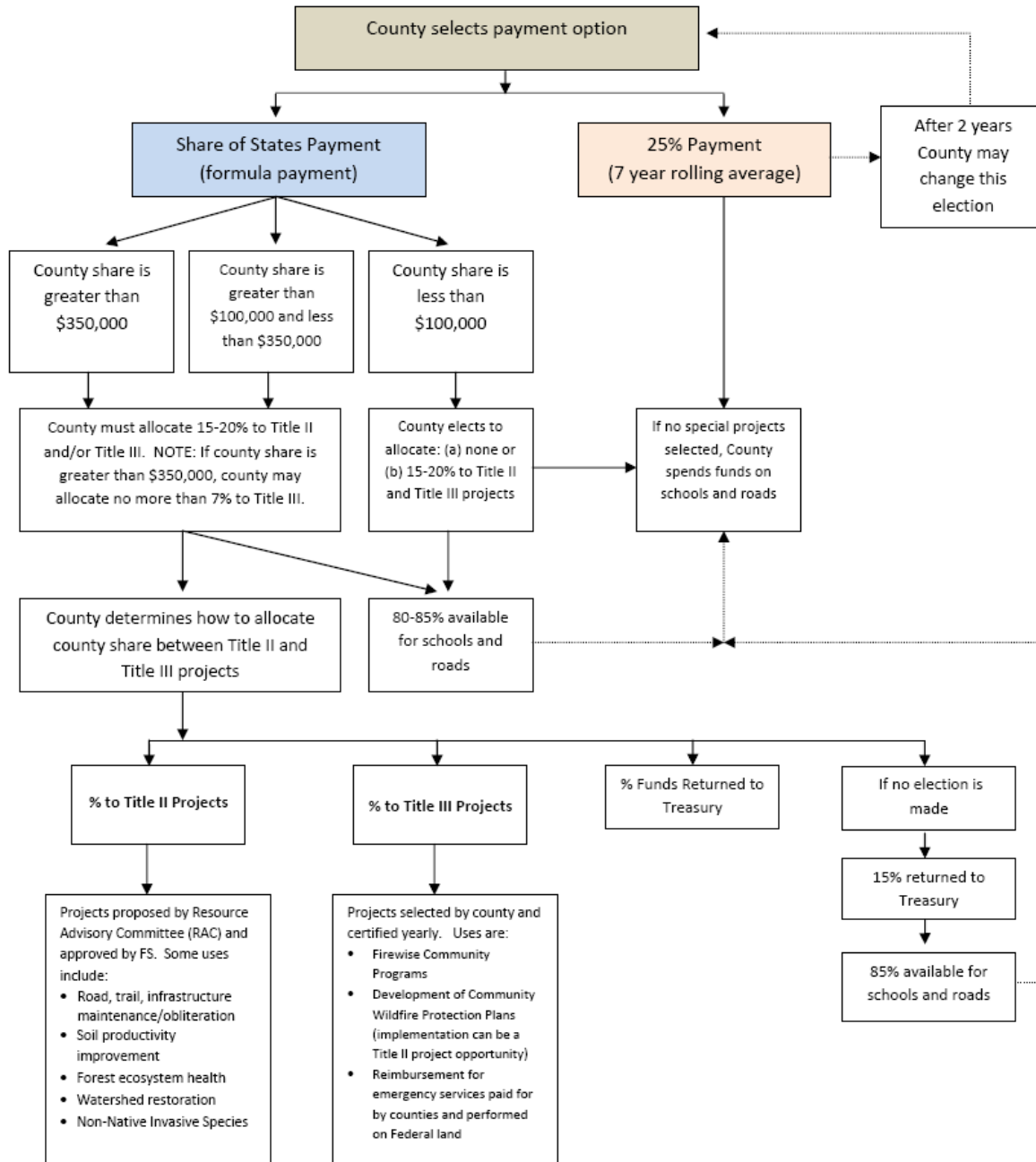


Exhibit 7

Part 11

WILLIAMSON ACT BENEFIT ASSESSMENTS

INTRODUCTION

For the fiscal year 2011-12, the Governor signed Assembly Bill 1265 (Formerly Senate Bill 863 that replaced Assembly Bill AB2530) on July 13, 2011, providing Counties with an option to recoup a portion of the lost Open Space Subvention Funds by modifying Williamson Act contracts for those that will self-renew on January 1, 2011. This program is intended as a temporary solution and sunsets on January 1, 2016.

MAIN TOPIC

GC Section 51244(b)(1) provides that if the county makes a determination, pursuant to GC Section 16142(e) for prime and non prime agricultural land or 16142.1(d) for farmland security zone, the county may voluntarily opt into the "Williamson Act Assessment Program". This allows the county to amend the contracts to specify a 10% shorter contact term (9 years for Williamson Act Contracts, 18 Years for Farm Land Security Zone contracts) in exchange for a fee of 1% on 10% of the difference between the Williamson Act annually calculated value and the Proposition 13 factored base year value or fair market value (Prop 8) if applicable.

The landowner has the option to non-renew their contract if they do not wish to participate. However the landowner would then incur additional taxes due to the properties non-renewal status. The additional amount of taxation is generally higher than the proposed fee on 10% of the difference between the two values.

The Auditor is to receive from the Assessor the tax benefit reduction assessment amount to be separately displayed on the taxpayer's annual tax bill. The County may add the amount as a direct charge.

The County General Fund is to receive the revenues generated from the tax benefit assessment levy. The landowner will still receive 90% of the tax benefit provided by the Williamson Act.

METHODOLOGY

GC Section 16142(e) and 16142.1(d) from the Open Space Subventions requires the County to first make a determination to qualify to opt into the Williamson Act Assessment Program as follows: The County's share of the subvention payment (SP) must be less than one half of the participating County's "Actual Forgone General Fund Property Tax Revenue" (AFGFPTTR).

Using the information below, the County would make the determination allowing them to opt into the program and modify the Williamson Act contracts. The County's share of the most recent published State Subvention Payment is \$139,644. The County's actual foregone property tax revenue is \$855,000. This is the amount of property tax revenue the County is giving up to participate in the Open Space (Williamson Act) program.

Formula: If $SP < (AFGFPtr * .5)$ = County may opt to implement Williamson Act Benefit Assessment.

For example: $\$139,644 < (855,000 * .5) = \$139,644 < \$427,500 = \text{Yes}$

RELATED TOPICS

Open Space Subvention, C3 - Part 7

Part 12

PRIOR YEAR RESTRICTED MONEY

INTRODUCTION

Prior year (PY) restricted money, also called excess taxes, is the amount of property tax revenue that exceeds the County Superintendent of Schools' (commonly referred to as the County Office of Education (COE)) threshold for allowable Special Education expenses as determined by the Local Control Funding Formula (LCFF) as of June 30 of the most recent prior fiscal year. This threshold is recalculated annually to determine if there is PY restricted money for each COE. As of fiscal year 2015/16, six counties receive property taxes greater than the LCFF determined threshold: Monterey, Napa, Placer, San Luis Obispo, San Mateo and Santa Clara. The counties with prior year restricted money may change from year to year.

MAIN TOPIC

In accordance with Education (Ed) Code §2575, the California Superintendent of Schools determines the amount of funds that will be restricted for each COE. Additionally, Ed Code §2578 requires the county **auditor-controller** to annually transfer the COE's PY restricted money into the Supplemental Revenue Augmentation Fund (SRAF) that was previously created in each county pursuant to Revenue & Taxation Code §100.06.

METHODOLOGY

The PY restricted money is to be transferred by the county auditor-controller to the SRAF in two equal shares. The first of the shares is to be transferred on or before January 15 of each year and the second share is to be transferred on or before May 1 of each year. If the total original amount of PY restricted money provided by the COE to the auditor-controller is changed for any reason subsequent to the first transfer, the amount of the second transfer should be adjusted to only include the balance of the revised amount determined by the COE. These funds are to be held in the SRAF until a request for payment is received by the COE from the State Department of Finance specifying the exact dollar amount that is to be transferred to the California State Controller's Office (SCO) (see Exhibit 1). If the request for payment amount is less than the amount being held in the SRAF, including any interest earned, the excess is returned to the COE. Thus, the balance of the SRAF fund at the end of the fiscal year will be \$0.

Upon receiving the request for payment, the COE is to submit a warrant or electronic payment authorization to the County Treasury with the required instructions needed to facilitate payment to the SCO. The amount transferred to the SCO is to be used exclusively to offset the State's cost of providing trial court services and costs, until the funds are exhausted.



DEPARTMENT OF
FINANCE

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ WWW.DOF.CA.GOV

May 12, 2015

REVISED

Dr. James Brescia
San Luis Obispo Superintendent of Schools
3350 Education Drive
San Luis Obispo, CA 93405

Dear Dr. Brescia:

The California Department of Finance respectfully requests that the San Luis Obispo County Office of Education remit payment drawn on the county Supplemental Revenue Augmentation Fund (SRAF), in the amount of ~~\$3,234,939~~, to the California State Controller's Office. This amount is based on information received by the Department of Finance from the California Department of Education.

This payment is required pursuant to Education Code section 2578 and Control Section 15.45 of the 2014 Budget Act.

Please make the SRAF check payable to the California State Controller's Office, and submit the payment to the following address:

California State Controller's Office
Division of Accounting and Reporting
State Accounting Section
3301 C Street, Suite 755
Sacramento, CA 95816
Attention: Catherine Todd

If you wish to submit the payment via wire transfer, please remit as follows:

Bank of America
2000 Clayton Road Bldg. D, 5th Floor
Concord, CA 94520

For credit to State of CA
Account # 01482

ABA# 0260-0959-3 (Wire Transfers)
ABA# 121000358 (ACH payments)

If remitting via wire, please also complete the yellow highlighted cells in the attached Excel spreadsheet, and fax the form to the State Controller's Office, Attn: Leigh Jansen, at (916) 653-3135. If remitting payment via wire, please fax the Excel spreadsheet one day before the wire transfer is scheduled, and please specify the wire transfer date on the fax cover page.

Should you have additional questions or concerns, please contact Chris Hill at (916) 445-3274.

Sincerely,

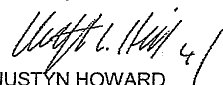

JUSTYN HOWARD
Program Budget Manager

Exhibit 1

C3, Part 12 - 2

**Roll Maintenance Section
Chapter C-4**

**California State Appropriations Limit
(SAL or Gann Limit)**

INTRODUCTION

California voters passed **Proposition 4** in November 1979, also known as the **Gann Limit** initiative, adding Article XIII B to the State Constitution and thereby establishing limits on the appropriation of **proceeds of taxes**. Sponsored by Paul Gann (and thus the namesake), it garnered a 74% passage rate. Over the following years, several propositions adjusted the Gann Limit.

MAIN TOPIC

The Gann Limit was established in November 1979 to limit the amount of money the state and government agencies could appropriate from the taxpayers and to limit state spending. Article XIII B of the State Constitution required excess proceeds of taxes to be returned to the taxpayers. In 1988 Proposition 98 passed requiring that public schools receive a share of any revenues exceeding the Gann Limit. In June 1990, the voters passed **Proposition 111** amending Article XIII B which added several exemptions to the Gann Limit. Proposition 111 also increased the spending limit by securing it to the per-capita personal income growth instead of inflation. This increased the limit to allow for new funding for priority state programs, while still providing an overall limit on state and local funding. The State altered the Gann Limit intentions with Proposition 99 in 1988 and Proposition 10 in 1998 by exempting new tobacco taxes from the **Appropriations Limit**.

Article XIII B: Changes Made by Propositions 98 and 111:

Type of Provision	Original Provision in Proposition 4	Changes Made by:	
		Proposition 98	Proposition 111
Annual Adjustments to Spending Limit	Statewide Population growth plus lesser of CCPI or California per-capita personal income growth.	No changes.	Population growth based on weighted average of population and K-14 school enrollment growth
Exempt Appropriations	Includes subventions, debt service, retirement costs, and unemployment compensation	No changes.	Added qualified capital outlay spending, appropriations supported by gas taxes, and appropriations resulting from natural disasters.
Allocation of Excess Revenues	Returned to tax payers in the following year.	First Portion to Proposition 98 (up to 4% of the minimum guarantee), with the remainder to taxpayers	Excess revenues determined over a two-year period. Total to be split between taxpayer rebates and Proposition 98 funding.

Each year the State and each local agency that receives taxes is required to calculate an Appropriations Limit, which the governing Board must adopt. The Board of Supervisors (BOS) must adopt a separate limit for the County and for each BOS-governed special district.

By law, the State or local agency may make appropriations of taxes in excess of the limit for one year only. If the calculated limit does not increase to cover the excess, in the following year the excess revenues must either be returned to the taxpayers or the State or local agency must obtain voter approval to increase the limit. Voter approved increases expire after four years. Additional voter approval is required if appropriations will exceed the calculated limit after the four year expiration.

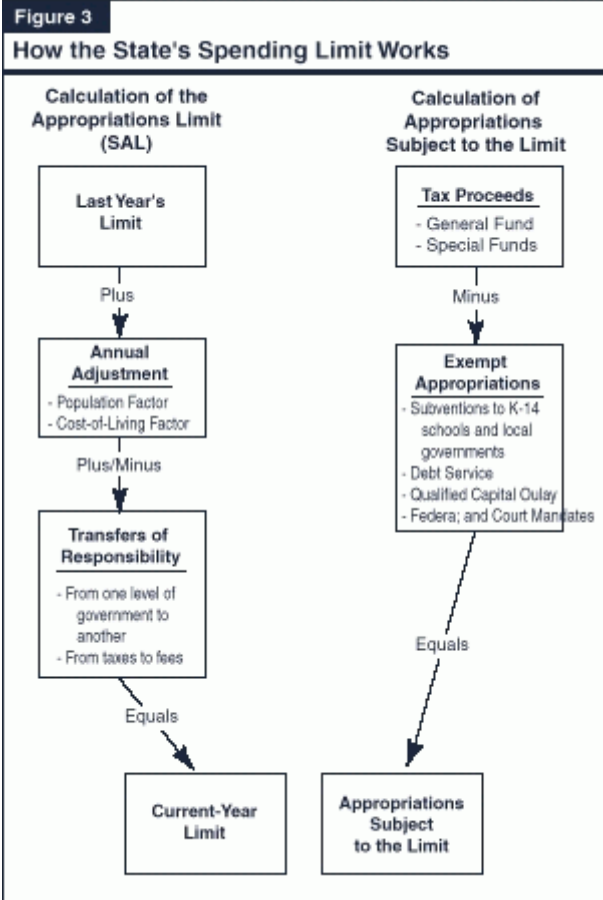
Two separate calculations are needed to compute the Gann Limit.

1. Appropriations Limit
2. *Appropriations Subject to the Limit.*

The Appropriations Limit applies only to those revenues that are defined as “proceeds of taxes”. Article XIII B, Section 8(c) defines proceeds of taxes to include tax revenues, investment earnings on tax revenues, and fees and charges in excess of the cost of providing the specific service. The limit is based on 1978-79 proceeds of taxes, adjusted annually for population and cost of living change per Proposition 4. Proposition 111 changed the base year to FY1986-87.

The State Department of Finance issues the Price and Population Data information each May, for use in preparing the Appropriations Limit calculation. The information is available on the Department of Finance Website www.dof.ca.gov/budgeting. Information regarding the growth of commercial and industrial assessed values in each district is normally obtained from the County Assessor.

Appropriations Subject to the Limit consist of proceeds of taxes minus exempt appropriations. Only appropriations of proceeds of taxes are subject to the limit. Other revenue sources can be appropriated without affecting the calculation. The County Accounting Standards and Procedures Committee issued Guidelines in 1990 to describe the calculation of Appropriations Subject to the Limit. If the amount of appropriations subject to the limit is more than the limit, the difference must be refunded to taxpayers, or voter approval must be obtained for a higher limit. Proposition 4 exempted subventions to K-14 schools and local governments, debt service, retirement costs and unemployment compensation. Proposition 111 added qualified capital outlay spending, appropriations supported by increased gas taxes and appropriations resulting from natural disasters. The Guidelines contain additional information.



Proposition 98 amended how Counties address revenue in excess of the State Appropriations Limit by distributing 50% to schools, before returning the remaining 50% to the taxpayers (Article XIII B, section 2(a)(1)). The determination to return money may be challenged in court by Writ of Mandate within 30 days (Government Code §7911).

The process to return the excess occurs over a two year period by granting a tax credit or refund, by providing a temporary suspension of tax rates or fee schedules, or by any other means consistent with the intent of Article XIII B section 2 of the State Constitution. This process should be thoroughly tracked by year to allow for proper disposition of the funds pursuant to State Controller's Office, Accounting Standards and Procedures for Counties.

METHODOLOGY

Example of a calculation of the Proposition 4 limit:

COUNTY OF OZ APPROPRIATIONS LIMIT CALCULATION FOR BUDGET YEAR		
	<u>FACTOR</u>	<u>AMOUNT</u>
Prior Year Limit		\$ 500,000,000
X the Higher of the CCPI factor provided by the State of California Department of Finance or commercial and industrial assessed value growth from the County Assessor	1.04	\$ 520,000,000
X Population Growth provided by the State of California Department of Finance	1.06	\$ 551,200,000
Budget Year Limit		<u>\$ 551,200,000</u>

Note that the higher of the CCPI factor or the growth in commercial and industrial assessed value is used in the calculation. This calculation is cited in the sample approval resolution in Exhibit 1.

Example of calculation of an Appropriation Subject to the Limit (also incorporated into Exhibit 1):

COUNTY OF OZ - CALCULATION OF APPROPRIATIONS SUBJECT TO LIMITATION FOR BUDGET YEAR XXXX-XX	
Available Financing	
Available Financing per Final Budget	\$1,000,000,000
Adjustments:	
Less: State and Federal Mandated Costs	(20,000,000)
Add: Cowardly Lion Police Protection CSA	8,000,000
Adjusted Appropriations	\$ 988,000,000
Less: Non Proceeds of Taxes	(205,000,000)
Regulatory Licenses, User Fees and user charges	<u>(300,000,000)</u>
Total Budget Year Appropriations Subject to Limitation	\$ 483,000,000
Budget Year Limit	551,200,000
Amount Under Limitation	<u>\$ 68,200,000</u>

Refer to the County Accounting Standards and Procedures Committee Guidelines for a listing of revenues that are classified as proceeds of taxes and non-proceeds of taxes. Only proceeds of taxes are subject to the limit.

RELATED TOPICS

Guideline 2(a)

SAMPLE TEXT FOR APPROVAL RESOLUTION

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF OZ, STATE OF CALIFORNIA

RESOLUTION ESTABLISHING FISCAL YEAR XXXX-XXXX APPROPRIATION LIMIT
UNDER ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION, AND
ESTABLISHING PERIOD FOR CONTESTING SUCH LIMITS FOR THE
COUNTY AND BOARD OF SUPERVISORS GOVERNED SPECIAL DISTRICTS

WHEREAS, Article XIII B of the California Constitution provides that the state and each local government shall be subject to an annual appropriation limit as defined in that Article; and

WHEREAS, Article XIII B Section 8 (e) (2) requires the Governing Body to select the Change in Cost of Living methodology each year by recorded vote; and

WHEREAS, the percentage change in California Per Capita Income provides the greatest result rather than using the change in the Local Assessment roll from the preceding year due to the addition of non-residential new construction; and

WHEREAS, the Auditor-Controller of the County of Oz has computed the appropriations limit for the fiscal year XXXX-XXXX; and

WHEREAS, the Auditor-Controller of the County of Oz has prepared the applicable Statements showing the calculation and such detail Statements are available for public review during reasonable hours and after reasonable notice in the Auditor-Controller's Office:

NOW, THEREFORE, BE IT RESOLVED, that the County of Oz selects the percentage change in California Per Capita Income and the percentage change in the population of the contiguous counties methodology for use in calculating its appropriation limit for fiscal year XXXX-XXXX; and

NOW, THEREFORE, BE IT FURTHER RESOLVED that, the appropriations limit for the County of Oz for the fiscal year XXXX-XXXX as shown on Attachment A is hereby established as \$551,200,000 and that such appropriations limit may be adjusted at a later date in accordance with Sections 3 and 11 of Article XIII B of the California Constitution; and

BE IT FURTHER RESOLVED that the appropriations limit for the County for the fiscal year XXXX-XXXX may be adjusted at a later date in the event that revenues which are unanticipated, and classified as proceeds of taxes in accordance with Section 8 (c) of Article XIII B of the California Constitution, are received and appropriated.

BE IT FURTHER RESOLVED that any judicial action or proceeding to attach, review, set aside, void or annul the appropriations limits established by this resolution shall be commenced within 45 days from the date of this resolution shall be commenced within 45 days from the date of this resolution in accordance with Division 9 of the Government Code.

PASSED AND ADOPTED by the Board of Supervisors of the County of Oz, State of California, this XXth day of, XXXX by the following vote:

Exhibit 1

Roll Maintenance Section
Chapter C-5

REVENUES/COST REIMBURSEMENT

Part 1: Mandated Costs Reimbursement Claims (SB90)
Part 2: County Property Tax Administrative Costs (SB2557)

Part 1
SB90 CLAIMS

INTRODUCTION

Pursuant to Government (Gov) Code §§17550-17571 and §§54950-54962, when the State Legislature or any State agency mandates a new program or higher level of service be provided by a **local agency**, the State shall provide a **subvention** of funds to reimburse such local agency for the cost of such program or increased level of service. This was put into practice in 1972 when the State Legislature passed **Senate Bill 90 (SB90)**. In 1979 California voters affirmed this law. Increased costs which a local agency is required to incur after July 1, 1980, as a result of statutes enacted on or after January 1, 1975, mandating a new program or higher level of service for an existing program are considered costs mandated by the State.

To seek reimbursement, a local agency must calculate the cost of providing the mandated services during the eligible period and submit these costs with the claim to the State Controller's Office. Reimbursement claims must include supporting documentation to substantiate claimed costs because all claims are subject to audit by State Auditors. Local agencies must answer several questions including what, how and who is performing the activities relating to new or increased level of service.

Solutions to these questions are made more demanding because mandated activities usually represents a portion of an individual's job and perhaps some portion of a completed task. The SB90 Service suggests that local agencies should file all eligible claims regardless of actual time records.

MAIN TOPIC

The Commission on State Mandates makes the initial determination of which programs may be claimed for reimbursement. The following are reimbursable components for an SB90 Claim:

1. Total hours utilized in preparing and presenting the test claim.
2. Total hours utilized in preparing the actual reimbursement claim.
3. Attending classes for claim preparation.
4. Presentation to the Commission for incorrect reduction of claim (see page 9 of the claiming instructions).
5. Parking fees, lunches, airline tickets etc.

Current Property Tax SB90 Claims

Unitary Countywide Tax Rate - Gov Code §17561 (Chapter 921, Statutes of 1987) requires counties to allocate property tax revenue attributable to **unitary** and **operating nonunitary** property on the basis of a formula established in Fiscal Year 1988/89. In addition, counties are required to establish a single countywide **tax rate area (TRA)** to which the **assessed value** of all unitary and operating nonunitary property will be assigned in order to issue a single tax bill to state assessees.

On August 24, 1989, the Commission on State Mandates determined that Chapter 921, Statutes of 1987 resulted in state mandated costs that are reimbursable pursuant to Part 7 (commencing with Gov Code §17500) of Division 4 of Title 2.

Reimbursable Mandated Components:

1. Tax bill issuance - issuance to state assesses of single tax bill.
2. Annual computation of tax rates - computation of each year's unitary **tax rates** for all unitary and operating nonunitary property.
3. Tax Roll processing - such as application of **Special Assessments** to process unitary utility assessments from **State Board of Equalization (BOE)**.
4. Allocation of Formula and Revenue Distribution - calculation of each year's allocation formulas and subsequent distribution of collected unitary revenues.
5. Error corrections - correcting tax bills for assessments erroneously placed in the Countywide TRA by the BOE.
6. Research & Explanations - clarifications to local agencies or to assessee (e.g. application of special assessments).

Educational Revenue Augmentation Funds (ERAF) – Beginning with the 1992/93 **fiscal year** counties were required to shift property taxes from specified **taxing jurisdictions** to a newly created **ERAF**. It was necessary for counties to plan, implement, report, distribute, administer and account for new property tax revenue allocations to school districts. (Chapter 697/92 of the Revenue and Taxation (R&T) Code §§97, 97.01, 97.02, 97.03, 97.035, 97.5, 98 and 99 as added and amended by Chapters 697, 700, 899, 1369, Statutes of 1992, Chapters 66, 68, 904, 905 and 1279, Statutes of 1993).

On July 21, 1994, the Commission on State Mandates determined that Chapter 697, Statutes of 1992 resulted in state mandated costs that are reimbursable pursuant to Part 7 (commencing with Gov Code §17500) of Division 4 of Title 2. This reimbursable program is limited to those administrative costs that apply to school districts because counties are specifically prohibited from charging such administrative costs to school districts.

Reimbursable Mandated Components:

1. Planning – such as meetings to develop local user requirements and modifying county policies in compliance with the subject law.
2. Implementation – see claiming instructions at the website.
3. Administration, Accounting & Reporting – see claiming instructions at the website.

METHODOLOGY

The State releases claiming instructions around October of each year. All claims have to be filed between December 15 and February 15 of each year. Completed forms must be submitted on or before February 15 of each year to the State Controller's Office.

The following steps are suggested for the general preparation of an SB90 Claim:

- Appoint an SB90 coordinator.
- Investigate to see if your agency has incurred costs.
- Always file a claim if costs were incurred.
- File the claim by the required deadline (10% penalty reduction for overdue claims to a maximum of \$1000 and 100% penalty reduction if later than 1 year).
- Follow the State Controller's claiming instructions, which are unique for each type of claim.
- Compile the costs using State format.
- Submit all requested back up documentation.
- Include descriptive narratives - how and by who mandates are performed, identify increases in level of service and tie to costs with detailed explanations.
- Justify any unusual or extraordinary costs.
- Proof all claim calculations.
- Maintain good worksheet for each claim necessary in case of field audits and for future reference.
- Calculate Overhead rates - local agencies can use a fixed overhead default rate of 10% of salary costs or calculate an actual indirect cost rate. It is best to not settle for a fixed 10% overhead default rate, but calculate the actual. Utilize the overhead rates specific to the specific county for the year claimed.
- Use productive hourly rate based on 1,800 hours per year (or lower if available. Never base the hourly rates on 2,080 hours per year - no justification is required for 1,800 hours).
- Keep track of all costs associated with research, filing and servicing of claims - these costs are reimbursable through Mandate Reimbursement Process claim.
- Use the SB90 Service hotline (916) 485-8519.
- Claiming instructions for the claims listed below can be found at the website: [Http://www.sco.ca.gov/ard/local/locreim/index.htm](http://www.sco.ca.gov/ard/local/locreim/index.htm)
 - Unitary Countywide Tax Rate Claim
 - Educational Revenue Augmentation Funds (ERAF) Claim
 - Mandate Reimbursement Process Claim

ACCOUNTING TREATMENT

Claimed reimbursements, once received, are credited as revenue to those who claim the costs. This is not a statutory requirement. Actual practice may depend upon the County's policy. If filing for the first time, a new revenue account/fund may need to be created.

RELATED TOPICS

Educational Revenue Augmentation Fund (ERAF)
Unitary Property Taxes

Part 2

COUNTY PROPERTY TAX ADMINISTRATIVE COSTS (SB2557)

INTRODUCTION

During the 1990/91 State Budget deliberations, the legislature enacted **Senate Bill (SB) 2557**. Maddy, (Chapter 466, Statutes of 1990). This bill contained the authorization for counties to increase revenue to counties by the amount of property tax administrative cost attributable to incorporated cities within each county. It also authorized the County Auditor to annually, commencing with the 1990/91 fiscal year, determine “property tax administrative costs proportionately attributable to local jurisdiction”, for Fiscal Year 1989/90 and thereafter, and “submit invoices” to the relevant jurisdictions for those costs. Counties are allowed to collect from each appropriate taxing jurisdiction that jurisdiction’s share of the cost of assessing, collecting, and apportioning property taxes. This authorization was codified in Section 95.2 through 95.4 of the R&T Code.

During the 1991/92 legislative session, R&T Code §95 was amended to exclude schools from being invoiced for the Property Tax Administrative charge and require Board of Supervisors action in order to recover these costs from local jurisdictions other than the county or city and county, and cities.

Chapter 697 Statutes of 1992, effective for the 1992/93 fiscal year amended R&T Code §95.3, superseding provisions contained in §95. The major changes were:

- Educational Revenue Augmentation Fund (ERAF) per Section 95.3 is included in the allocation of the costs, but is not recoverable.
- Costs are recovered from the **apportionment** of current secured collections during the year.

Assembly Bill (AB) 818, Chapter 914, Statutes of 1995, authorized loans to counties for participation in the State-County Property Tax Administration Program. Even though expenditures under this program are included in the Administrative Cost Recovery calculation, the related revenues are excluded.

AB1055, Chapter 1073, Statutes of 1996, passed as an urgency item effective September 30, 1996, added the **county board of equalization** and **assessment appeals board** to the list of entities with property tax administrative costs to be considered under §95.3.

SB 1096, Chapter 211, Statutes of 2004, and AB2115, Chapter 610, Statutes of 2004, changed the calculation of the allocation for 2004/05 and 2005/06 to include ERAF III (excluding redevelopment), and for 2006/07 forward to include the **Sales Tax Triple Flip** and **VLF Swap** adjustments. Supreme Court Case B8116375, City of Alhambra et al., versus County of Los Angeles et al., dated November 19, 2012, clarified and disallowed this inclusion.

Note: Please refer to the Guidelines for County Property Tax Administration Charges prepared by the County Accounting Standards and Procedures Committee as amended dated March 1992 and to the revised Uniform Guidelines for the Implementation of SB 1096 as Amended by AB 2115.

MAIN TOPIC

Annually, commencing in 1990/91, it will be necessary to calculate the County's prior year property tax administrative costs (Exhibit 1).

Property Tax Administrative Costs for purposes of compliance with the provisions of R&T Code §95 refers to the property tax related administrative costs of the assessor, tax collector, assessment appeals board (AAB) and auditor.

In order to calculate the property tax administrative costs, it will be necessary to determine the department direct and overhead costs related to property taxes in the assessor, tax collector, AAB and auditor departments. It will also be necessary to offset the total property tax related costs by revenues intended to reimburse the County for various property tax processes.

Direct Costs

Direct costs are calculated by identifying and costing out all activities directly involved in processing property taxes. Such costs include not only staffing costs, but also departmental indirect such as administrative salaries, services and supplies, etc. "Departmental indirect cost" is an accounting term used to describe a process of assigning (or charging) those costs of a department/organization which are common to two or more of its functions.

In the case of the assessor's department, usually all departmental costs are related to property tax administration. The sole function of the assessor is to assess taxable property. However, the assessor's function should be reviewed and if the assessor is performing any services outside of the property tax function the cost of those services should be excluded from these calculations (unless the county is reimbursed for those services, in which case it would be a revenue offset as discussed below).

In the case of the Tax Collector, AAB and auditor, it will be necessary to assign departmental direct costs to the property tax function as these departments have other responsibilities not related to property tax administration. Costs such as salaries, benefits, services and supplies will have to be reviewed and assigned to property tax administration. The process of assigning these costs should be well documented so that future review of this process can be performed.

Cost of county counsel representing the assessor before the AAB should be included either by direct interdepartmental charges to the assessor's budget unit or through the Cost Allocation Plan. County counsel costs incurred on behalf of the AAB are to be included.

In addition, costs incurred by the assessor in association with work attributable to the assessment appeals process are includable and eligible for recovery.

Overhead Costs

Overhead costs are calculated in accordance with federal guidelines as specified in Title 2 Code of Federal Regulations part 200 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Note that prior to January 2015, overhead costs were calculated in accordance with the Office of Management and Budget (OMB) Circular A-87 standards. The 2 CFR 200 establishes principles and standards for determining costs applicable

to Federal grants, contracts, and other agreements with State and local governments. For each **fiscal year**, the recovery of indirect overhead costs should be based on the allocation of the prior fiscal year's actual costs, pursuant to 2 CFR 200 standards. Fixed asset depreciation is generally considered part of overhead pursuant to 2 CFR 200, and therefore the direct expenditure for purchase of capital items should not be included in direct costs. Please note that overhead costs will vary from county-to-county, depending upon the procedure used in each County for classification of particular costs as direct or indirect. For example, computer costs may be charged in a County as direct costs, but charged as indirect costs through its 2 CFR 200 plan in another County.

Offsetting Revenue

Offsetting Revenues are revenues received, in accordance with State statutes, to reimburse counties for portions of property tax administration. These revenues should be used to "offset" the direct and overhead property tax related costs. Revenues that are penalties for late payment of taxes, e.g. penalties on current delinquent taxes (R&T §§2617, 2618, 2922(a), 2922(b), and 75.52(c)) should not be included in revenue offsets. The following are examples of offsetting revenues:

- Supplemental Tax Administration Reimbursement, R&T Code §75.60
- Direct Charge Administration Fee, Government Code (GovC) §§29304 and 51800
- Tax Collector \$10 Cost for preparing delinquent list, R&T Code §4653.8
- Assessor Mapping Fees
- Tax Defaulted Land Sale Fees (actual and reasonable cost of personal contact + actual and reasonable cost of notice), R&T Code §4112
- Tax Sales Administration Charges, R&T Code §§4672.1 and 4672.2
- Redevelopment Base Year Projected Revenues Fee, Health and Safety Code (H&S) §§33328.7 and 33607
- 1915 Act Assessment Collection Charges, Streets and Highway Code §8682
- Any Other Property Tax Administration Reimbursement Revenue

The net amount after offsetting revenues against Property Tax Administrative Cost will be allocated in accordance with R&T Code §95.3. The classification of offsetting revenue vs. direct credit may in some instances vary from county to county.

Direct Credit

Direct Credit - Certain revenues should be recognized as an invoice "credit" rather than as an offset to total costs. These are fees paid by local jurisdiction for property tax services, e.g. the $\frac{1}{4}$ of 1% (negotiated) charge to **special districts** under Gov Code §29142 for their proportionate share of the 1% levy.

See Exhibit 2 for an example of the calculations involved. Classification of offsetting revenue versus direct credit may in some instances vary from county to county.

METHODOLOGY

SB1096 and AB2115 also changed the methodology. Calculations for 2004/05 and 2005/06 include adjustment for ERAF III (excluding redevelopment). 2006/07 forward includes adjustment for the **Sales Tax Triple Flip** and **VLF Swap**. See the revised exhibits in the Uniform Guidelines for the Implementation of SB 1096 as Amended by AB 2115. Once the State Recovery Bonds are paid or retired, the Sales Tax Triple Flip will no longer be included as an adjustment. Property Tax Administration Costs should be allocated to the various jurisdictions as follows (See Exhibits 2 and 3):

Elements of the model are identified by column for each given entity:

- A** = Gross AB8 property tax allocation for the current fiscal year per R&T Code §§95.2, 95.3, 96.1 and 96.2.
- B** = Allocations from the 1% portion of the unitary and operating non-unitary property tax, R&T Code §100.
- C** = **Gross Redevelopment Agencies Tax Increment (RDATI)**.
- D** = For fiscal years 2004/05 and 2005/06 only ERAF III adjustments (excluding redevelopment). For fiscal years 2006/07 and subsequent years includes the current year Sales Tax Triple Flip and the current year VLF. Supreme Court Case B8116375, City of Alhambra et al., versus County of Los Angeles et al., dated November 19, 2012, clarified and disallowed this inclusion.
- E** = Adjusted Net Property Tax Revenue.
- F** = Administrative Cost **Apportionment Factors** obtained by dividing each jurisdiction's total revenue by the total revenue of all jurisdictions.
- G** = Calculated amount of each jurisdiction's proportionate share of the cost derived by multiplying its administrative cost apportionment factor in Column F by the net administrative cost of \$30,000 (cost less offsets).
- H** = Direct Credits such as Fees paid by local jurisdictions under Gov Code §29142(b).
- I** = Amount of cost recoverable from affected jurisdictions, obtained by adding Column G and Column H. All schools, including ERAF, and the general fund do not pay an admin fee.

ACCOUNTING TREATMENT

Claimed reimbursements, once received, are credited as revenue. The various departments receive their share in proportion to the costs incurred by the department.

RELATED TOPICS

Educational Revenue Augmentation Fund (ERAF)
Annual AB8 Calculations
SB1096 Gymnastics: ERAF III, VLF Swap, and the Triple Flip

PROPERTY TAX ADMINISTRATIVE COST CALCULATION

DESCRIPTION	ASSESSOR A	TAX COLLECTOR B	ASSESSMENT APPEALS BOARD C	AUDITOR D	ALL DEPARTMENTS E (A+B+C+D)
Direct Costs					
Salaries & Employee Benefits	15,000	5,000	1,000	3,000	24,000
Services & Supplies	1,900	1,000	300	900	4,100
Other Charges	1,000	400	50	150	1,600
A-87 Overhead	100	1,200	200	800	2,300
Indirect Cost (Note 1)	800	400	100	200	1,500
Gross Costs	18,800	8,000	1,650	5,050	33,500
Revenue Offsets					
Supplemental Tax Admin. Reim. R&T \$75.60	300	400	-	300	1,000
Documents & Fees	150	100	25	200	475
Tax Collectors Costs	150	400	75	400	1,025
Other Property Tax Admin. Reim. Revenue	100	500	-	400	1,000
Total Offsetting Revenues	700	1,400	100	1,300	3,500
Totals	18,100	6,600	1,550	3,750	30,000

Notes:

(1) If not included in A-87 or Services and Supplies

Exhibit 1

ADMINISTRATIVE COST APPORTIONMENT FACTORS

For Fiscal Years 2004/05 and 2005/06

JURISDICTION	GROSS PTR AB8 ALLOCATION A	UNITARY & OPERATING NON-UNITARY B	GROSS RDA TAX INCREMENT C Note 1	ERAF III ADJUSTMENTS (except RDA) D	ADJUSTED NET PROPERTY TAX AB8 REVENUE E (A+B+C+D)	ADMIN. COST APPORTIONMENT FACTORS F	ADMIN. COST LESS OFFSETS Col. F x \$30,000 G Note 2	DIRECT CREDIT H Note 3	ADJUSTED ADMINISTRATIVE COST I (G+H)
County	725,000	3,200	(80,000)	(17,149)	631,051	0.230900475	6,926		(6,926) Note 4
Special District 1	64,000	600		(147)	64,453	0.023583242	707	(200)	507
Special District 2	156,000	600	(30,000)	(375)	126,225	0.046185510	1,386	(100)	1,286
Special District 3	65,000	200	(20,000)	(16,172)	29,028	0.010621295	319	(25)	294
City A	303,000	300		(631)	302,669	0.110746067	3,322		3,322
City B	181,000	1,900	(50,000)	(475)	132,425	0.048454080	1,454		1,454
ERAF	650,000			34,949	684,949	0.250621661	7,519		(7,519) Note 4
Schools	581,000	100	(50,000)		531,100	0.194328577	5,830		(5,830) Note 4
RDA Project 1		600	150,000	N/A	150,600	0.055104281	1,653		1,653
RDA Project 2		500	80,000	N/A	80,500	0.029454812	884		884
Totals	2,725,000	8,000	-	-	2,733,000	1.000000000	30,000	(325)	(20,275) 9,400

Notes:

- (1) Gross RDA tax increment in column C is before any "pass-through" reduction. For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB8 process, column C would be used for adding the pass-through amounts into the above formula.
- (2) Offsetting revenues – those revenues received for services or reimbursement to the county for costs associated with property tax administration. Examples include the supplemental 5% fee (R&T §75.60), \$10.00 cost, redemption fees, special assessment fees (Gov Code §§29304 & 51800), debt service levy fee (1/4 of 1% Gov Code §29142(a)), RDA Base Year Report fee (H&S §§33328.7 & 33607), etc. (See Prop. Tax Admin Cost Guideline)
Cost as calculated in Exhibit 1 = \$33,500, reduce appropriate offsetting revenues of \$3,500, equals total to distribute of \$30,000.
- (3) Gov Code §29142(b) allows special districts to be charged ¼ of 1% of all collections (1%); each district's reimbursed funds would be a direct credit.
- (4) All schools, ERAF and the general fund are excluded from this recovery process.

Exhibit 2

ADMINISTRATIVE COST APPORTIONMENT FACTORS

(Revised for Supreme Court Case Clarification)

For Fiscal Years 2006/07 and Thereafter

JURISDICTION	GROSS PTR AB8 ALLOCATION A	UNITARY & OPERATING NON-UNITARY B	GROSS RDA TAX INCREMENT C Note 1	ADJUSTED NET PROPERTY TAX AB8 REVENUE F (A+B+C)	ADMIN. COST APPORTIONMENT FACTORS G	ADMIN. COST LESS OFFSETS COL. G x \$30,000 H Note 2	DIRECT CREDIT I Note 3	SCHOOLS & ERAF J Note 4	ADJUSTED ADMINISTRATIVE COST K (H+I)
County	725,000	3,200	(80,000)	648,200	0.23717527	7,115		(7,115)	-
Special District 1	64,000	600		64,600	0.02363703	709	(200)		509
Special District 2	156,000	600	(30,000)	126,600	0.04632272	1,390	(100)		1,290
Special District 3	65,000	200	(20,000)	45,200	0.01653860	496	(25)		471
City A	303,000	300		303,300	0.11097695	3,329			3,329
City B	181,000	1,900	(50,000)	132,900	0.04862788	1,459			1,459
ERAF	650,000			650,000	0.23783388	7,135		(7,135)	-
Schools	581,000	100	(50,000)	531,100	0.19432858	5,830		(5,830)	-
RDA Project 1		600	150,000	150,600	0.05510428	1,653			1,653
RDA Project 2		500	80,000	80,500	0.02945481	884			884
Totals	2,725,000	8,000	-	2,733,000	1.000000000	30,000	(325)	(20,080)	9,595

Notes:

- (1) Gross RDA tax increment in column C is before any "pass-through" reduction. For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB8 process, column C would be used for adding the pass-through amounts into the above formula.
- (2) Offsetting revenues – those revenues received for services or reimbursement to the county for costs associated with property tax administration. Examples include the supplemental 5% fee (R&T §75.60), \$10.00 cost, redemption fees, special assessment fees (Gov Code §§29304 & 51800), debt service levy fee (1/4 of 1% Gov Code §29142(a)), RDA Base Year Report fee (H&S §§33328.7 & §33607), etc. (See Prop. Tax Admin Cost Guideline)
Cost as calculated in Exhibit 1 = \$33,500, reduce appropriate offsetting revenues of \$3,500, equals total to distribute of \$30,000.
- (3) Gov Code §29142(b) allows special districts to be charged ¼ of 1% of all collections (1%); each district's reimbursed funds would be a direct credit.
- (4) All schools and ERAF are excluded from this recovery process, while the general fund is optional.

Exhibit 3

**Roll Maintenance Section
Chapter C-6**

SUPPLEMENTAL ROLL MAINTENANCE

INTRODUCTION

Senate Bill 813 (SB813) was passed in 1983 and codified as Revenue and Taxation (R&T) Code §75 et seq. This senate bill included education reform, but also enacted the **supplemental property tax**. Prior to supplemental property tax, because reassessments were not effective until the next annual **lien date** (March 1 at the time), properties with a **change in ownership** or **new construction** could avoid any assessment changes for as long as 16 months (18 months now that the lien date is January 1 [effective 1/1/1997 pursuant to R&T Code §2192]). Beginning in September 1983, initially to address a shortfall in school funding (R&T Code §§75.70(a) and 75.70(b)), changes in ownership or new construction could be reassessed as of the **date of event**. The term SB813 is synonymous with supplemental property taxes.

MAIN TOPIC

A supplemental tax is the result of a reassessment of **real property**, effective when there is a change in ownership or completion of new construction. A supplemental assessment is the difference between the **assessed value** on the **roll** and the assessed value as of a supplemental event (R&T Code §§75.31 & 75.40). Not all property is reassessed upon a change in ownership (e.g. business personal property). The county assessor determines whether a change in ownership or new construction has occurred (R&T Code §§60 et seq. and 70 et seq.). **Exemptions**, such as a **homeowner's exemption**, can be applied to a supplemental assessment, if eligible, and not previously allowed (R&T Code §75.20 et seq.). **Direct charges** are not billed on the supplemental tax roll (R&T Code §75). Supplemental tax bills are produced throughout the **fiscal year** and can be either **secured** or **unsecured**. Supplemental assessments do not affect the secured lien date bill (R&T Code §§75 and 75.42).

The date of the change of ownership or completion of construction is called the **date of event**. The reassessment on the date of event can result in an increase, decrease or no change in taxable value. Usually an increase will produce a bill and a decrease will produce a **negative assessment**, commonly referred to as a supplemental refund. A negative assessment refund may be paid even though the taxes on the property are not paid. These refunds shall be made from taxes collected on assessments made on the **supplemental roll** (R&T Code §75.43). A bill or negative assessment refund may be prorated among owners if there is a subsequent change in ownership in the period (R&T Code §§75.54(c) or 75.54(d)). Negative assessments do not affect the secured lien date bill (R&T Code §§75 and 75.42).

There may be a subsequent change in ownership following an initial change in ownership or completion of new construction, prior to the mailing of the initial supplemental tax bill. When this situation occurs, the bill is prorated and a portion of the original supplemental tax bill that is attributable to the initial change in ownership or completion of new construction, becomes an unsecured supplemental tax bill (R&T Code §75.54(c)).

Supplemental taxes are not deemed to be an **escaped assessment** and aren't subject to the availability of the **4 Year Pay Plan (Escape Installment Plan)** (R&T Code §§75.13 and 4837.5). Supplemental taxes do not apply to property assessed by the **Board of Equalization (BOE)** on the **State Board Roll** (R&T Code §75.14).

Thirty days after the Assessor has mailed the Notice to the **Assessee** of the supplemental assessment, the Assessor transmits certain information to the Auditor for the Auditor to complete the supplemental billing process (R&T Code §75.40).

1. Name and address, if known, of the assessee.
2. The parcel number or legal description of the property.
3. The **tax rate area (TRA)** in which the property is located.
4. The new base year value of the property with the value for the land separated from the value for improvements.
5. The value of the property on the current roll, or the roll being prepared, or both.
6. The exemption applicable, if any.
7. The net supplemental assessment after exemption.
8. The date of the change of ownership or completion of new construction.

METHODOLOGY

There are several distinct steps to the supplemental billing process. The order or steps may vary slightly from county to county, depending on the system used, but the end-result should be the same. Each step is quickly summarized in Example 1 and then detailed in the other examples that follow.

- A. Calculate the supplemental assessment (R&T Code §75.41) (AKA the net supplement assessment after exemption of R&T §75.40(g)) based on the information delivered from the Assessor.
- B. Apply the applicable **tax rate** to determine the calculated tax (R&T Code §75.41(a)).
- C. Apply the applicable **presumed date** factor to determine the total tax liability (R&T Code §75.41(b) and §75.41(c)).
- D. Determine if the total tax needs to be billed to more than one assessee and if the bill(s) is secured or unsecured (R&T Code §75.54(c)).
- E. Typically divide the tax bill into two equal installments (R&T Code §75.41(a)).

EXAMPLE 1 – Summary of supplemental tax calculation showing each step.

Supplemental Roll FY 2001-02

Step A: Calculate supplemental assessment (details in Examples 3-5)

New total assessed value (construction completed) as of 9/13/2001	130,000
Less lien date roll assessed value FY 2001-02	<u>-102,000</u>
Supplemental assessment FY 2001-02	28,000

Step B: Apply applicable tax rate to determine the calculated tax (details in Examples 6-8)

X Tax rate	x 1.0383%
Calculated tax	\$ 290.72

Step C: Apply presumed date factor to determine total tax liability (details in Example 9-11)

X Presumed date factor (October 1) from Table A	x .75
Total tax liability	<u>\$ 218.04</u>

Step D: Determine to which event owner(s) the tax liability is billed and if the bill(s) is secured or unsecured (details in Examples 12-15)

Where there is no subsequent change in owner (details in example 14):

Secured supplemental bill for 9/13/2001 Event Owner	<u>\$ 218.04</u>
Total supplemental bills (must equal total tax liability)	<u>\$ 218.04</u>

--- OR ---

Where there is a subsequent change of owner in certain circumstances (details in example 15):

Unsecured supplemental bill for 9/13/2001 Event Owner	\$ 39.71
Secured supplemental bill for 11/5/2001 Event Owner	<u>\$ 178.33</u>
Total supplemental bills (must equal total tax liability)	<u>\$ 218.04</u>

Step E: Divide the tax bill into two equal installments

Where there is no subsequent change in owner (details in Example 14):

Secured supplemental bill for 9/13/2001 Event Owner	
1 st Installment	\$ 109.02
2 nd Installment	\$ 109.02
Total secured supplemental bills (must equal total tax liability)	<u>\$ 218.04</u>

Details of each step follows. Note that the following examples and exhibits illustrate three different actions taken for supplemental billing:

- One supplemental event affecting one roll year.
- One supplemental event affecting two roll years.
- Two supplemental events affecting one roll year.

Exhibit 1 displays a pictorial concept of the supplemental cycle. Exhibits 2-4 display the entire supplemental cycle in detail by combining the examples below. All examples and discussions presume there are no Proposition 8 assessed values enrolled and all annual **California Consumer Price Index (CCPI)** increases are made at the full 2%.

Step A: Calculate the supplement assessment

EXAMPLE 2 – Calculation of Assessed Value of Original Roll with No Supplemental Event. If no supplemental events occur, the value as of the January 1 *lien date* is used for the next fiscal year's *roll being prepared*.

Lien Date Roll FY 2001-02	
No supplemental events from January thru December 2000	0
Current year, January 1, 2001 assessed value	100,000
January 1, 2001 maximum increase of 2%	<u>2,000</u>
Roll being prepared FY 2001-02	<u>102,000</u>
Lien Date Roll FY 2002-03	
No supplemental events from January thru December 2001	0
Current year, January 1, 2002 assessed value	102,000
January 1, 2002 maximum increase of 2%	<u>2,040</u>
Roll being prepared FY 2002-03	<u>104,040</u>

EXAMPLE 3 – Calculation of Supplemental Assessment of One Supplemental Event Affecting One Roll Year. Any event occurring after May 31 and before December 31 will generate one supplemental assessment. This supplemental assessment reflects the change in assessed value from the date of event to the end of the fiscal year. Also see Exhibit 2.

Supplemental Roll FY 2001-02	
New total assessed value (construction completed) as of 9/13/2001	130,000
Less lien date roll assessed value FY 2001-02 from Example 2	<u>102,000</u>
Supplemental assessment FY 2001-02	<u>28,000</u>
Lien Date Roll FY 2002-03	
January 1, 2002 assessed value	130,000
January 1, 2002 maximum increase of 2% applied only to assessed value existing prior to the July 1 prior to the lien date ($102,000 \times 2\% = 2,040$), rather than the entire new assessed value ($130,000 \times 2\% = 2,600$) (R&T Code §75.18).	<u>2,040</u>
Roll being prepared FY 2002-03	<u>132,040</u>

EXAMPLE 4 – Calculation of Supplemental Assessment of One Supplemental Event Affecting Two Roll Years. If the date of event occurred on or after January 1 and on or before May 31 (R&T Code §75.11 & §75.12), two supplemental assessments resulting in bills or refunds will be calculated. The first supplemental assessment reflects the change in value from the date of event to the end of the current fiscal year. The second supplemental assessment reflects the change in value, from the roll being prepared, for the entire fiscal year. Also see Exhibit 3.

Supplemental Roll FY 2001-02	
New total assessed value (ownership change) as of 3/23/2002	125,000
Less roll assessed value FY 2001-02 from Example 2	<u>102,000</u>
Supplemental assessment FY 2001-02	<u>23,000</u>
Supplemental Roll FY 2002-03	
New total value (ownership change) as of 3/23/2002	125,000
January 1, 2002 maximum increase of 2% applied to assessed value existing prior to the July 1 prior to the lien date. Supplemental date of events between January 1 and June 30 will have the maximum increase of 2% applied for the next lien date after the date of event (R&T Code §75.18).	<u>2,500</u>
New total value for FY 2002-03 due to ownership change	127,500
Less roll value FY 2002-03 from Example 2	<u>104,040</u>
Supplemental assessment FY 2002-03	<u>23,460</u>
Lien Date Roll FY 2003-04	
January 1, 2003 assessed value	127,500
January 1, 2003 maximum increase of 2%	<u>2,550</u>
Roll being prepared FY 2003-04	<u>130,050</u>

EXAMPLE 5 – Calculation of Supplemental Assessment of Two Supplemental Events Affecting One Roll Year. When multiple supplemental events occur in one roll year as demonstrated below, each supplemental event is processed separately. Example 5 presumes the property from example 3 with the 9/13/2001 new construction is subsequently sold on 11/5/2001. Also see Exhibit 4.

Supplemental Roll FY 2001-02 1st Event (from Example 3)	
New total assessed value (construction completed) as of 9/13/2001	130,000
Less lien date roll assessed value FY 2001-02 from Example 2	<u>102,000</u>
Supplemental assessment FY 2001-02	<u>28,000</u>
Supplemental Roll FY 2001-02 2nd Event	
New total assessed value (ownership change) as of 11/5/2001	180,000
Less new total assessed value FY 2001-02 as of 9/13/2001 from Example 3	<u>130,000</u>
Supplemental assessment FY 2001-02	<u>50,000</u>
Lien Date Roll FY 2002-03	
January 1, 2002 assessed value	180,000
January 1, 2002 maximum increase of 2% applied only to assessed value existing prior to the July 1 prior to the lien date. It isn't applied in this scenario since Proposition 13 based assessed value was "reset" between 7/1/2001 – 12/31/2001 due to sale on 11/5/2001 (R&T Code §75.18).	<u>0</u>
Roll being prepared FY 2002-03	<u>180,000</u>

Step B: Apply the applicable tax rate to determine the calculated tax

The auditor will apply the respective **tax rate(s)** of the fiscal year(s) for which the supplemental assessment(s) applies. However, if the tax rates for the roll being prepared are not yet available, the most currently available tax rate may be used (R&T §75.41(a)) to prevent billing delays.

EXAMPLE 6 – Calculation of Calculated Tax on One Supplemental Event Affecting One Roll Year (continued from Example 3). Also see Exhibit 2.

Supplemental Roll FY 2001-02	
Supplemental assessment from Example 3	28,000
X Tax rate (<i>use 2001-02 tax rates</i>)	<u>1.0383%</u>
Calculated tax	<u>\$ 290.72</u>

EXAMPLE 7 – Calculation of Calculated Tax on One Supplemental Event Affecting Two Roll Years (continued from Example 4). Also see Exhibit 3.

Supplemental Roll FY 2001-02	
Supplemental assessment from Example 4	23,000
X Tax rate (<i>use 2001-02 tax rates</i>)	<u>1.0383%</u>
Calculated tax	<u>\$ 238.81</u>
Supplemental Roll FY 2002-03	
Supplemental assessment from Example 4	23,460
X Tax rate (<i>if 2002-03 rates unavailable, use 2001-02 tax rates per R&T §75.41</i>)	1.0425%
Calculated tax	<u>\$ 244.57</u>

EXAMPLE 8 – Calculation of Calculated Tax on Two Supplemental Events Affecting One Roll Year (continued from Example 5). Also see Exhibit 4.

Supplemental Roll FY 2001-02 1st Event 9/13/2001	
Supplemental assessment from Examples 3 & 5	28,000
X Tax rate (<i>use 2001-02 tax rates</i>)	<u>1.0383%</u>
Calculated tax	<u>\$ 290.72</u>
Supplemental Roll FY 2001-02 2nd Event 11/5/2001	
Supplemental assessment from Example 5	50,000
X Tax rate (<i>use 2001-02 tax rates</i>)	<u>1.0383%</u>
Calculated tax	<u>\$ 519.15</u>

Step C: Apply the presumed date factor to determine the total tax liability

Taxes on supplemental assessments shall be calculated using the **presumed date**, which is the first day of the month following the actual date of event through the end of the fiscal year (R&T Code §75.41(b)), to determine the tax liability. The presumed date ensures the assessee isn't taxed for the portion of the year in which they didn't own the property or have use of the new construction. Table A below shows the presumed dates to be used for the entire year.

As shown in Table A, if the supplemental event falls between January 1 and May 31, two supplemental bills will be processed — one for the current year and one for the upcoming year. June events result in no current year tax liability; only a tax liability for the upcoming year.

TABLE A – Presumed Date			
<u>Date of Event</u>	<u>Presumed Date</u>	<u>Factor for Current Fiscal Year</u>	<u>Factor for Roll Being Prepared</u>
July 1-31	August 1	0.92	N/A
August 1-31	September 1	0.83	N/A
September 1-30	October 1	0.75	N/A
October 1-31	November 1	0.67	N/A
November 1-30	December 1	0.58	N/A
December 1-31	January 1	0.50	N/A
January 1-31	February 1	0.42	1.00
February 1-29	March 1	0.33	1.00
March 1-31	April 1	0.25	1.00
April 1-30	May 1	0.17	1.00
May 1-31	June 1	0.08	1.00
June 1-30	July 1	0.00	1.00

EXAMPLE 9 – Calculation of Tax Liability on One Supplemental Event Affecting One Roll Year (continued from Example 6). If the date of event is September 13, the presumed date is October 1. A presumed date factor of .75 is applied to the calculated tax amount. Also see Exhibit 2.

Supplemental Roll FY 2001-02	
Calculated tax from Example 6, 9/13/2001 date of event	\$ 290.72
X Presumed date factor for a presumed date of October 1 (Table A)	0.75
Total tax liability	\$ 218.04

EXAMPLE 10 – Calculation of Tax Liability on One Supplemental Event Affecting Two Roll Years (continued from Example 7). If the date of event is March 23, 2002, the presumed date is April 1. A presumed date factor of .25 will be applied to the calculated tax amount for the FY 2001/02 supplemental roll. A presumed date factor of 1.00 will be applied to the calculated tax amount for the FY 2002/03 supplemental roll. Also see Exhibit 3.

Supplemental Roll FY 2001-02	
Calculated Tax from Example 7, 3/23/2002 date of event	\$ 238.81
X Presumed date factor for a presumed date of April 1 (Table A)	0.25
Total Tax Liability	<u>\$ 59.70</u>
Supplemental Roll FY 2002-03	
Calculated Tax from Example 7, 3/23/2002 date of event	\$ 244.57
X Presumed date factor for a presumed date of -April 1 (Table A)	1.00
Total Tax Liability	<u>\$ 244.57</u>

EXAMPLE 11 – Calculation of Tax Liability on Two Supplemental Events Affecting One Roll Year (continued from Example 8). If the date of event is September 13, 2001, the presumed date is October 1. A presumed date factor of .75 will be applied to the calculated tax amount for the FY 2001/02 supplemental roll. Additionally, if the date of event is November 5, 2001, the presumed date is December 1. A presumed date factor of .58 will be applied to the calculated tax amount for the FY 2001/02 supplemental roll. Also see Exhibit 4.

Supplemental Roll FY 2001-02	
Calculated tax from Example 8, 9/13/2001 date of event	\$ 290.72
X Presumed date factor for a presumed date of October 1 (Table A)	0.75
Total tax liability	<u>\$ 218.04</u>
Supplemental Roll FY 2001-02	
Calculated tax from Example 8, 11/5/2001 date of event	\$ 519.15
X Presumed date factor for a presumed date of December 1 (Table A)	0.58
Total tax liability	<u>\$ 301.11</u>

**Step D: Determine to which event owner(s) the tax liability is billed
and if the bill(s) is secured or unsecured**

Generally, the event owner is billed for 100% of the supplemental tax liability and the supplemental bill is secured. However, at times, more than one event owner is billed. Additionally, unsecured supplemental bills may occur generally for two reasons:

1. Unsecured property such as mobile homes or forest service cabins which are subject to the supplemental taxation process. These are collected on the supplemental roll. (R&T Code §75.54(b)).
2. A prorated portion of a tax liability due to a subsequent change in ownership in certain circumstances (R&T Code §75.54(c)).

These exceptions may cause multiple supplemental bills for one event to be mailed to multiple assessee's (event owners) and for some bills to be unsecured. The examples below explain the law and use the scenarios shown above to explain the calculations and nature of the supplemental bill.

EXAMPLE 12: Billing of One Supplemental Event Affecting One Roll Year (continued from Example 9). If only one date of event occurs in one roll year, then the assessee (as provided by the Assessor) is billed, since there is not subsequent change in ownership. The bill is secured. This is the standard treatment (R&T Code §§75.42, 75.50, and 75.54(a)). Also see Exhibit 2.

Supplemental Roll FY2001-02

Total tax liability from Example 9 9/13/2001 date of event	<u>\$ 218.04</u>
Billed as secured to 9/13/2001 event owner	<u>\$ 218.04</u>

Example 13: Billing of One Supplemental Event Affecting Two Roll Years (continued from Example 10). If only one date of event occurs in one roll year (even if it affects two roll years), as long as there is no subsequent change of ownership, then the assessee (as provided by the Assessor) is billed. The bill is secured. This is the standard treatment. (R&T Code §§75.42, 75.50, and 75.54(a)). Also see Exhibit 3.

Supplemental Roll FY2001-02

Total tax liability from Example 10 3/23/2002 date of event	<u>\$ 59.70</u>
Billed as secured to 2/23/2002 event owner	<u>\$ 59.70</u>

Supplemental Roll FY2002-03

Total tax liability from Example 10 3/23/2002 date of event	<u>\$ 244.57</u>
Billed as secured to 2/23/2002 event owner	<u>\$ 244.57</u>

When multiple supplemental events occur in one roll year, multiple supplemental bills are generally created. Ideally, processing follows in a chronological order in that the first event occurs and is billed to the first event assessee, prior to the happening of the second supplemental event as shown in Example 14.

EXAMPLE 14: Billing of Two Supplemental Events Affecting Two Roll Years Where the Billing for the 1st Date of Event Occurs PRIOR to the Occurrence of the 2nd Date of Event (continued from Example 11). In this situation, use the assessee as provided by the Assessor. The determination of responsibility for the 1st date of event billing (or any refunds) becomes a matter of the private-party sales agreement between the old and new owners and doesn't affect the County. The bill is secured. This is the standard treatment (R&T Code §§75.42, 75.50, 75.54(a), and 75.54(c)). Also see Exhibit 4.

Supplemental Roll FY2001-02	
Total tax liability from Example 11, 9/13/2001 date of event	<u>\$ 218.04</u>
Billed as secured to 9/13/2001 date of event owner	\$ 218.04
Billed to 11/5/2001 date of event owner	<u>\$ 0</u>
Total Billed for 9/13/2001 date of event	<u>\$ 218.04</u>
Total tax liability from Example 11, 11/5/2001 date of event	<u>\$ 301.11</u>
Billed as secured to 11/5/2001 event owner	<u>\$ 301.01</u>

However, If a supplemental date of event occurs but isn't billed prior to the occurrence of a subsequent change in ownership (2nd supplemental date of event), then both the old and new owners may be responsible for the tax on the supplemental value that corresponds to the period for which they owned the property (R&T Code §75.54(c)). Frequently, when multiple supplemental date of events happen in one roll year, they occur in relatively quick succession (e.g. a house is built and then sold). These back-to-back type of situations provide little time to perform supplemental processing all the way through to billing before the next date of event occurs. When the billing of the earlier date of event happens after a subsequent change in ownership, R&T Code §75.54(c) requires the 1st date of event's tax liability to be prorated between the two owners as shown in Example 15.

The R&T Code §75.54(c) proration creates an unsecured supplemental bill (no longer a lien on the property) to the old owner and a secured supplemental bill to the new owner for the 1st date of event (9/13/2001), as shown below in Example 15. The 2nd date of event (11/5/2001) is billed only to the new owner, as shown below. This is identical treatment for the 11/5/2001 date of event to the example shown above in Example 14 if R&T Code §75.54(c) proration isn't required. The theory behind R&T Code §75.54(c) is that the old and new owners could not have been advised of the first date of event billing at the time of the sale because the bill didn't exist at the time of the sale, creating a scenario in which the bill couldn't be properly handled via the private-party sales agreement.

The portion of the 1st date of event's tax liability (\$39.71 in Example 15) that is unsecured under R&T Code §75.54(c) may be billed on either the unsecured roll or the supplemental roll. This bill is an unsecured assessment in the name of the person who would have been the assessee if the additional change in ownership had not occurred. This bill is treated and collected like other taxes on the unsecured roll. (R&T Code §75.54(c)).

The remaining portion of the 1st date of event's tax liability (\$178.33 in Example 15) attributable to the new owner remains secured. Additionally, it secures any increase or decrease in supplemental taxes resulting from the determination of the new base year value required to be made following the subsequent change in ownership. (R&T Code §75.54(c)).

Counties may elect to use R&T Code §75.54(d) which allows the "start date" for the R&T Code §75.54(c) proration to be the presumed date (the first day of the month following the date of event) instead of the actual date of event as shown in Example 16. R&T Code §75.54(d) doesn't change any other criteria of R&T Code §§75.54(a), 75.54(b), or 75.54(c).

There are no statutory provisions for the proration process described in R&T §75.54 to be used on situations where a supplemental date of event occurs and is billed prior to the occurrence of a subsequent change in ownership (2nd supplemental date of event). In this situation, the bill/refund is matter of public record at the time of the subsequent change in ownership. This situation isn't eligible for proration under R&T Code §75.54(c) or 75.54(d), and the bill associated with the initial date of event remains secured.

Some counties will assist taxpayers by canceling the original secured supplemental bill for the first supplemental date of event and re-billing a prorated amount between the old and new owners when the first supplemental date of event has already been billed prior to the occurrence of the second supplemental date of event. Both bills would remain secured under the requirements of §75.54(a).

Example 15: Billing of Two Supplemental Events Affecting Two Roll Years Where the Billing for the 1st Date of Event Occurs AFTER the Occurrence of the 2nd Date of Event (continued from Example 11). In this situation, the 1st date of event is prorated between the old and new owners based on the number of days of ownership pursuant to R&T Code §75.54(c). The old owner's bill is unsecured, while the new owner's bill is secured. The 2nd date of event bill will be billed 100% to the new owner and is secured (R&T Code §§75.42, 75.50, 75.54(a), and 75.54(c)). See also Exhibit 4.

Supplemental Roll FY2001-02	
Total tax liability from Example 11, 9/13/2001 date of event	<u>\$ 218.04</u>
Billed as <u>unsecured</u> to 9/13/2001 event owner (9/13/2001 thru 11/04/2001 = 53 ^a days ÷ 291 days = 18.213% x \$218.04 = \$39.71)	\$ 39.71
Billed as secured to 11/5/2001 event owner (11/5/2001 thru 6/30/2002 = 238 ^a days ÷ 291 days = 81.787% x \$218.04 = \$178.33)	<u>\$ 178.33</u>
Total Billed for 9/13/2001 date of event	<u>\$ 218.04</u>
 Total tax liability from Example 11, 11/5/2001 date of event	<u>\$ 301.11</u>
Billed as secured to 11/5/2001 event owner	<u>\$ 301.01</u>
^a 9/13/2001 thru 6/30/2002 = 291 days. Thus, the proration of 53 days + 238 days = 291 days.	

Example 16: Billing of Two Supplemental Events Affecting Two Roll Years Where the Billing for the 1st Date of Event Occurs AFTER the Occurrence of the 2nd Date of Event (continued from Example 11). In this example, the county has elected to use R&T Code §75.54(d) where the proration of the 1st date of event between the old and new owners based Counties is based upon a “start date” using the presumed date (the first day of the month following the date of event) instead of the actual date of event for the number of days of ownership pursuant to R&T Code §75.54(c). The old owner’s bill is unsecured, while the new owner’s bill is secured. The 2nd date of event bill will be billed 100% to the new owner and is secured (R&T Code §§75.42, 75.50, 75.54(a), and 75.54(c)). See also Exhibit 4.

Supplemental Roll FY2001-02	
Total tax liability from Example 11, 9/13/2001 date of event	<u>\$ 218.04</u>
Billed as <u>unsecured</u> to 9/13/2001 event owner (10/1/2001 thru 11/04/2001 = 35 days ÷ 273 ^a days = 12.821% x \$218.04 = \$27.95)	\$ 27.95
Billed as secured to 11/5/2001 event owner (11/5/2001 thru 6/30/2002 = 238 days ÷ 273 ^a days = 87.179% x \$218.04 = \$190.09)	<u>\$ 190.09</u>
Total Billed for 9/13/2001 date of event	<u>\$ 218.04</u>
 Total tax liability from Example 11, 11/5/2001 date of event	<u>\$ 301.11</u>
Billed as secured to 11/5/2001 event owner	<u>\$ 301.01</u>
^a 10/1/2001 thru 6/30/2002 = 273 days. Thus, the proration of 35 days + 238 days = 273 days.	

Step E: Divide the Tax bill into two equal installments

If the supplemental tax liability results in a secured bill, the bill must be divided into two equal installments (R&T Code §75.41(a)). Thus, it may be necessary to reject the extra cent on a supplemental tax bill. If a supplemental tax liability results in an unsecured bill, it must be divided into two equal installments only if it is enrolled on the supplemental roll (R&T Code §§75.41(a) and 75.54(c)).

A supplemental refund does not have the rejected cent applied and should be issued for the actual amount of the calculation, regardless if the calculation results in an even or odd-cent amount (R&T Code §75.41(a)).

The Billing Cycle

The billing cycle is generally a Tax Collector function (R&T Code §75.50), however the Auditor may play a role in various aspects of the bill production such as mailing dates and/or delinquency dates.

Taxes on secured supplemental bills are due on the date mailed and become delinquent as shown in Table B. However, the taxpayer will always have at least 30 days to pay without penalty (R&T Code §75.52(e)(3)).

- For bills mailed within the months of July thru October, the first installment becomes delinquent at 5:00 P.M. December 10th of the same year. The second installment becomes delinquent at 5:00 P.M. on April 10th of the next year (R&T Code §75.52(a)(1)).
- For bills mailed within the months of November through June, the first installment becomes delinquent at 5:00 P.M. on the last day of the month following the month in which the bill is mailed. The second installment becomes delinquent on the last day of the fourth month following the date the first installment became delinquent (R&T Code §75.52(a)(2)).

TABLE B - Supplemental Bill Delinquency Dates		
<u>Mailed</u>	<u>1st Installment Delinquent</u>	<u>2nd Installment Delinquent</u>
July – October	December 10	April 10
November	December 31	April 30
December	January 31	May 31
January	February 28(29)	June 30
February	March 31	July 31
March	April 30	August 31
April	May 31	September 30
May	June 30	October 31
June	July 31	November 30

Secured supplemental bills not paid timely are subject to 10% penalty and \$10 cost (R&T Code §§75.52(b) and 75.52(c)). For all secured supplemental tax bills with installments due on or after June 30, the bill remains on the **current supplemental roll** for the subsequent roll year and, if unpaid, transfers to the appropriate delinquent roll (**redemption roll** or unsecured delinquent roll) at the end of that year

Unsecured supplemental bills subject to 75.54(b) are billed on the supplemental roll. Once delinquent, the tax collector may use the procedures applicable to the collection of delinquent taxes on the unsecured roll for these unsecured supplemental bills. Once defaulted, these unsecured supplemental bills are transferred to the unsecured roll.

Unsecured supplemental bills subject to 75.54(c) may be billed on either the unsecured roll or the supplemental roll. These supplemental bills are treated and collected like other taxes on the unsecured roll.

Secured supplemental bills will be transferred to the redemption roll, while unsecured supplemental bills will be transferred to the unsecured delinquent roll, (R&T Code §§75.53, 75.54(b), 75.54(c), 3351, and 3436).

ADDITIONAL CONSIDERATIONS

5% Administrative Cost (R&T Code §75.60 et seq.)

The Board of Supervisors may adopt a method of identifying the actual administrative costs associated with the supplemental roll. The amount recovered of actual administrative costs cannot exceed 5% of revenues collected. Do not include supplemental refunds when determining the revenues collected (R&T Code §75.60(a)). The costs include direct and indirect costs associated with data processing, collection and appeals that are incurred by county auditors, assessors and tax collectors pursuant to the A-87 Cost Allocation Program (R&T Code §75.60(b)(1)). R&T Code §75.60 enables the county auditor to allocate to the auditor, assessor and tax collector departments the reimbursement for these costs from supplemental revenues collected, prior to the allocation to the rest of the *jurisdictions*.

For any given fiscal year, if the actual administrative costs are less than the 5% of revenues collected (5%), then the difference between the administrative costs and the allowable 5% (excess) should be returned to the jurisdictions if there are no prior year(s) cumulative costs to be recovered. Allocation of the excess amount is in the same manner as the apportionment of supplemental tax collections.

1. Determining the excess (Example 17):

Two different approaches can be used to determine the excess amount:

- a. Yearly: Compares the 5% and the actual costs as soon as the actual costs for the fiscal year are available, or
- b. Periodically:
 - Compares the 5% and the estimated actual costs and reduces a percentage of the 5% to match the cost, or
 - Established annual limit for either the 5% or the estimate of actual cost for the fiscal year. The annual limit and the actual cost are to be compared periodically and the excess limit amount is not deducted from the collected revenues.

2. Recovery amount (Example 17):

If the actual administrative costs were not fully recovered for prior year(s), then the cumulative deficit costs can be recovered from the excess. Upon recovery of the cumulative prior year's costs, the remaining balance of the excess is allocated to the jurisdictions. However, if the under-recovered cost was included in the SB 2557 administrative fees cost recovery, the under-recovered cost cannot be recovered from the excess.

EXAMPLE 17: Administrative Cost Calculation and Recovery Calculation.

Supplemental Roll Tax FY 2001-2002	
Collection amount + delinquent under Teeter	22,000,000
R&T Code §75.60 - 5% for administrative cost recovery	5%
5% portion	1,100,000
Actual FY 2001-2002 Administrative Cost (Assessor \$900,000, Auditor Controller \$150,000, Tax Collector \$250,000)	(1,300,000)
Deficit - Under recovery	(200,000)
Option 1. Recovery under SB 2557 (in FY 2002-2003)	200,000
Option 2. Carry forward deficit amount	200,000 a
Supplemental Roll Tax FY 2002-2003	
Collection amount + delinquent under Teeter	25,000,000
R&T Code §75.60 - 5% for administrative cost recovery	5%
5% portion	1,250,000
Actual FY 2002-2003 Administrative Cost (Assessor \$1,000,000, Auditor-Controller \$150,000, Tax Collector \$250,000)	(1,400,000)
Deficit - Under recovery	(150,000) b
Option 1. Recovery under SB 2557 (in FY 2003-2004)	150,000
Option 2. Carry forward deficit amount	350,000 c
Cumulative balance c = [a + b] = \$350,000	
Supplemental Roll Tax FY 2003-2004	
Collection amount + delinquent under Teeter	40,000,000
R&T Code §75.60 - 5% for administrative cost recovery	5%
5% portion	2,000,000
Actual FY 2003-2004 Administrative Cost (Assessor \$1,100,000, Controller \$200,000, Tax Collector \$300,000)	(1,600,000)
EXCESS of 5% amount	400,000
RETURN the Excess of 5% amount in [July or ASAP] FY 2004-2005	
Option 1. Allocate the excess of 5% amount to the jurisdictions *	400,000
Option 2. Allocate the remaining of the excess of 5%	
Recovery of prior year deficits	350,000
Allocate the Excess of 5% to the jurisdictions *	50,000
* The excess of the 5% amount is allocated in the same manner as the apportionment of supplemental tax collections.	

Cancellation of Supplemental Taxes Under \$20

After computing the supplemental taxes due, if the total is twenty dollars (\$20) or less, the auditor, on recommendation of the tax collector, may cancel the amount as provided by R&T Code §4986.8 (R&T Code §75.41(d)).

A county board of supervisors may, by ordinance, provide for the cancellation of any supplemental tax bill in which the amount of taxes to be billed is less than the cost of administration. In no event shall any supplemental tax be cancelled if the amount of taxes on the bill exceeds fifty dollars (\$50) (R&T Code §75.55).

Refunds

After the computation of taxes, if the supplemental assessment is a negative amount, the auditor shall determine the amount of refund due the taxpayer (R&T Code §75.41(e)). The refund shall be made within 90 days of the date of enrollment of the negative assessment. If the refund is not made within the 90 days following the negative enrollment, interest is to be paid at a rate provided by R&T Code §5151, computed from a date 30 days after the date of enrollment (R&T Code §75.43(b)).

Refunds shall be made from the taxes collected on assessments made on the supplemental roll (R&T Code §75.43(a)). This is very different from reading R&T Code §75.43(a) as saying that refunds are made from collections on the secured roll. Additionally, there is no statutory requirement for the secured lien date bill to be partially/fully paid before a refund is made (R&T Code §§75 and 75.42). However, in certain circumstances, the Tax Collector may seize supplemental refunds if taxes are delinquent (R&T Code §§2635.5 and 2191.4).

An example of refunds being made from the taxes collected on assessments made on the supplemental roll is a \$3,000 supplemental refund on property A made from \$20,000 of supplemental collections from properties B, C, and D for a net supplemental collection of \$17,000. Historically, supplemental collections far exceeded supplemental refunds, making this aspect of R&T Code §75.43(a) a moot topic. However, due to the Great Recession of 2007-2009, some counties experienced a scenario in which the supplemental refunds outpaced the supplemental collections. During this unprecedented time, many Counties issued refunds even if the annual collections were less than the amounts being refunded in lieu of waiting for sufficient collections in that fiscal year to cover the refunds. The theory being once the refunds are apportioned, prior supplemental collections are returned to the supplemental tax trust fund and cover the payment of the supplement refund to the taxpayer.

Refunds are limited to the amount by which the tax, penalty, or interest paid exceeds the amount of tax, penalty, or interest that is lawfully due and owing based upon the **new base year valuation** (R&T Code §75.43). In other words, there cannot be a net negative ad-valorem tax liability for a property when the R&T Code §601 roll and the supplemental roll are netted together for the specific tax year. No Claim for Refund form, pursuant to R&T Code §5096 et seq., is needed (R&T Code §§75, 75.42, and 75.43).

Apportionment

Each county has some discretion in its method of **apportionment**. Some counties have the supplemental revenue on the **Teeter Plan** (R&T Code §4701(b)), while others do not. Some counties use the immediate prior year's **AB8 factors** for prior year supplemental revenue (R&T Code §75.70), while other counties use the specific year factor (a more accurate method allowed by the State Controller (SCO)). Some counties have **redevelopment agencies** in their AB8 factors, which must be removed for supplemental apportionment. This removal is required because 100% of any supplemental revenue derived from redevelopment agencies' TRAs must be given to the redevelopment agencies. Apportionments must be completed monthly for counties with population exceeding 500,000. Counties with 500,000 or less population may apportion as infrequently as biennially (R&T Code §75.70(c)(7)). Please refer to your county's policies and resolutions for supplemental apportionment.

Supplemental factors for apportionment are directed by R&T Code §75.70. See Chapter D-6 for details.

Statute of Limitation

Statute of limitation for a supplemental assessment(s) related to a date of event is governed by R&T Code §75.11. The time limit centers around the date the supplemental assessment is enrolled on the supplemental roll. Pursuant to R&T Code §75.42, assessments are enrolled to the supplemental roll by the auditor. Accordingly, the auditor should strictly observe the time limits when adding assessments to the supplemental roll.

R&T Code §75.11(d) generally requires supplemental assessments to be placed on the supplemental roll on or before the fourth July 1 following the July 1 of the **assessment year** in which the supplemental assessment's date of event occurred. The time limit is extended to the eighth July 1 if:

- The penalty provided for in R&T Code §504 is added to the assessment, or
- The change in ownership was unrecorded and a change in ownership statement required by R&T Code §480 or preliminary change in ownership report required by R&T Code §480.3, was not timely filed.

These limits can be extended by written agreement between the taxpayer and assessor (R&T Code §75.11(e)). See table below for examples.

Supplemental Assessment's Date of Event	July 1 of Assessment Year	General Rule Fourth July 1	Extended Timeframe Eighth July 1
2/15/2015	7/1/2015	7/1/2019	7/1/2023
7/20/2014	7/1/2014	7/1/2018	7/1/2022
11/13/2011	7/1/2011	7/1/2015	7/1/2019

It should be noted that the assessment may be placed on the supplemental roll at any time if the assessment includes the penalty provided for in R&T Code §503 (R&T Code §75.11(d)).

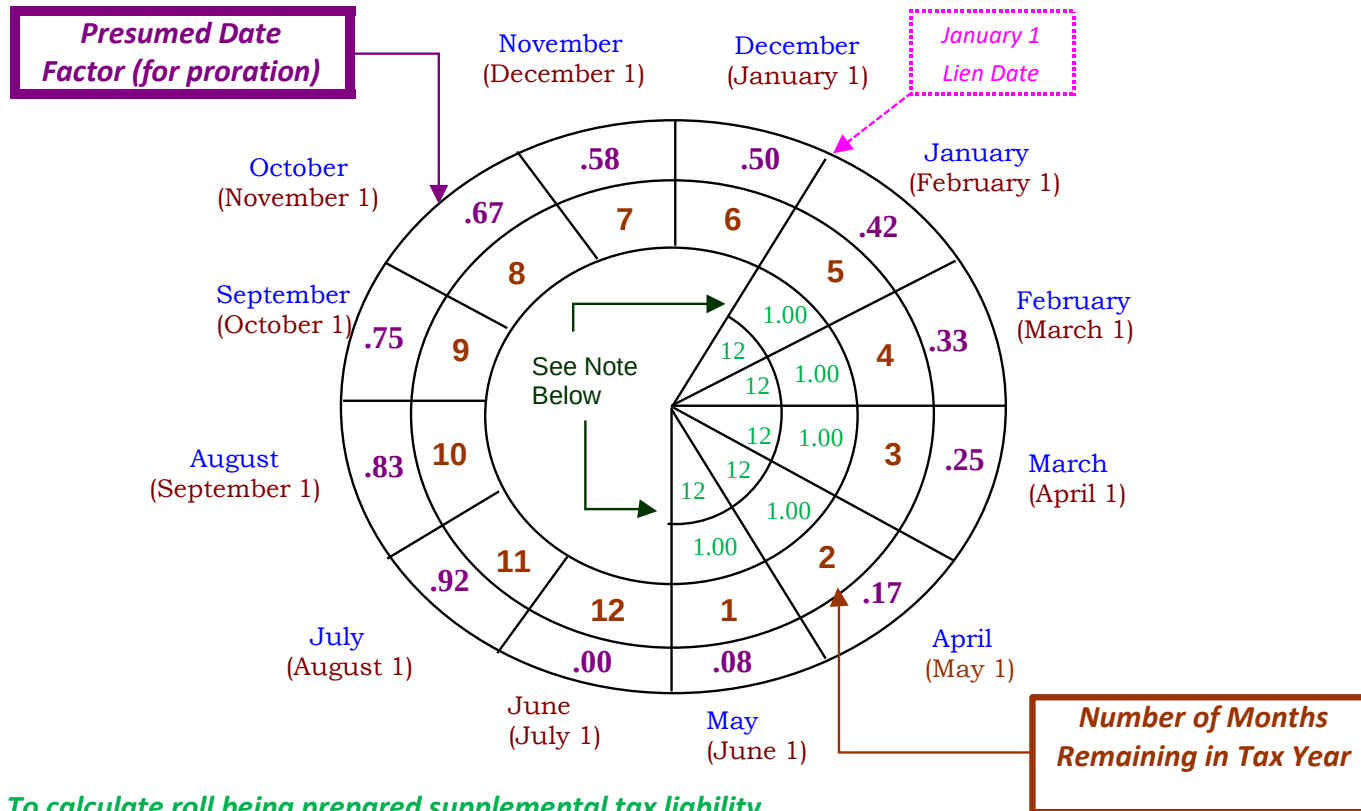
RELATED TOPICS

Calculation of Supplemental Apportionment Factors (D-6)
Tax Roll Changes, Part 10-Refunds (C-7)
Teeter/Alternative Methodology (C-2)
Apportionment (C-1)
Revenues/Cost Reimbursements (C-5)
Calculation of Annual Tax Increment (D-3)
Controls-Reconciling & Balancing (F-4)

The Supplemental Cycle

Month is the month of the Date of Event (see Table A)

Date in parentheses is the Presumed Date (see Table A)



NOTE: To calculate roll being prepared supplemental tax liability

12 = Number of Months remaining

1.00 = Proration Factor

Exhibit 1

C6 - 19

One Supplemental Event Affecting One Roll Year

Roll Value FY2001-02

No Changes from January thru December 2000
 Current Year, January 1, 2001 assessed value
 January 1, 2001 maximum increase of 2%
 Roll being prepared FY2001-02

$$\begin{array}{r}
 0 \\
 100,000 \\
 + \quad 2,000 \\
 \hline
 102,000
 \end{array}
 \quad \left. \vphantom{\begin{array}{r} 0 \\ 100,000 \\ + \quad 2,000 \\ \hline 102,000 \end{array}} \right\} \text{Example 2}$$

Step A: Calculate the Supplemental Assessment

New total value (construction completed) as of 9/13/2001
 Less roll value FY2001-02 from Example 2
 Supplemental assessment FY 2001-02

$$\begin{array}{r}
 130,000 \\
 - \quad 102,000 \\
 \hline
 28,000
 \end{array}
 \quad \left. \vphantom{\begin{array}{r} 130,000 \\ - \quad 102,000 \\ \hline 28,000 \end{array}} \right\} \text{Example 3}$$

Step B: Apply the Applicable Tax Rate to Determine the Calculated Tax

x Tax rate (use 2001-02 tax rates)
 Calculated tax

$$\begin{array}{r}
 \times \quad 1.0383\% \\
 \$ \quad 290.72
 \end{array}
 \quad \left. \vphantom{\begin{array}{r} \times \quad 1.0383\% \\ \$ \quad 290.72 \end{array}} \right\} \text{Example 6}$$

Step C: Apply the Presumed Date Factor to Determine the Total Tax Liability

x Presumed date facgtor for a presumed date of October 1 (Table A)
 Total tax liability

$$\begin{array}{r}
 \times \quad 0.75 \\
 \$ \quad 218.04
 \end{array}
 \quad \left. \vphantom{\begin{array}{r} \times \quad 0.75 \\ \$ \quad 218.04 \end{array}} \right\} \text{Example 9}$$

Step D: Determine to Which Event Owner(s) the Tax Liability is Billed

Billed as secured to 9/13/2001 event owner

$$\begin{array}{r}
 \$ \quad 218.04
 \end{array}
 \quad \left. \vphantom{\begin{array}{r} \$ \quad 218.04 \end{array}} \right\} \text{Example 12}$$

One Supplemental Event Affecting Two Roll Years

Roll Value FY2001-02

No Changes from January thru December 2000
Current Year, January 1, 2001 assessed value
January 1, 2001 maximum increase of 2%
Roll being prepared FY2001-02

<u>2001-02</u>	<u>2002-03</u>
0	
100,000	
<u>2,000</u>	
<u>102,000</u>	

Example
2

Roll Value FY2002-03

No Changes from January thru December 2001
Current Year, January 1, 2002 assessed value
January 1, 2002 maximum increase of 2%
Roll being prepared FY2002-03

0
102,000
<u>2,040</u>
<u>104,040</u>

Step A: Calculate the Supplemental Assessment

New total value (ownership change) as of 3/23/2002
Maximum increase of 2%
Enrolled supplemental assessed value
Less roll value from Example 2
Supplemental roll value FY2002-03

	125,000	125,000
+	<u>n/a</u>	<u>2,500</u>
	125,000	127,500
	<u>102,000</u>	<u>104,040</u>
	23,000	23,460

Example
4

Step B: Apply the Applicable Tax Rate to Determine the Calculated Tax

x Tax rate
Calculated tax

x	<u>1.0383%</u>	<u>1.0425%</u>
	238.81	244.57

Example
7

Step C: Apply the Presumed Date Factor to Determine the Total Tax Liability

x Presumed date facgtor for a presumed date of October 1 (Table A)
Total tax liability

x	<u>0.25</u>	<u>1.00</u>
	<u>\$ 59.70</u>	<u>\$ 244.57</u>

Example
10

Step D: Determine to Which Event Owner(s) the Tax Liability is Billed

Billed as secured to 9/13/2001 event owner

<u>\$ 59.70</u>	<u>\$ 244.57</u>

Example
13

Exhibit 3

C6 - 21

One Supplemental Event Affecting One Roll Year

Roll Value FY2001-02

No Changes from January thru December 2000
Current Year, January 1, 2001 assessed value
January 1, 2001 maximum increase of 2%
Roll being prepared FY2001-02

Date of Event	Date of Event	
<u>9/13/2001</u>	<u>11/5/2001</u>	
0	N/A	} Example 2
100,000		
+ 2,000		
<u>102,000</u>		

Step A: Calculate the Supplemental Assessment

New total value (construction completed) as of 9/13/2001
Less roll value FY2001-02 from Example 2
Supplemental assessment FY 2001-02

130,000		} Examples 3 & 5
- <u>102,000</u>		
28,000		
	180,000	} Examples 3 & 5
-	<u>130,000</u>	
	50,000	

New total value (ownership change) as of 11/5/2001

Less new total assessed value FY 2001-02 as of 9/13/2001 from Example 3
Supplemental assessment FY 2001-02

Step B: Apply the Applicable Tax Rate to Determine the Calculated Tax

x Tax rate (use 2001-02 tax rates)
Calculated tax

x	<u>1.0383%</u>	<u>1.0383%</u>	} Examples 6 & 8
	\$ 290.72	\$ 519.15	

Step C: Apply the Presumed Date Factor to Determine the Total Tax Liability

x Presumed date factor for a presumed date of October 1 (Table A)
Total tax liability

x	<u>0.75</u>	<u>0.58</u>	} Examples 9 & 11
	\$ 218.04	\$ 301.11	

Step D: Determine to Which Event Owner(s) the Tax Liability is Billed

IF 9/13/2001 event billed before 11/5/2001

Billed as secured to 9/13/2001 event owner

Billed as secured to 11/5/2001 event owner

-- OR --

IF 9/13/2001 event billed after to 11/5/2001

Billed as unsecured to 9/13/2001 event owner (9/13/2001 thru 11/4/2001 = 53 ÷ 291^a days = 18.213%)

Billed as secured to 11/5/2001 event owner (11/5/2001 thru 6/30/2002 = 238 ÷ 291^a days = 81.787%)

Billed as secured to 11/5/2001 event owner

\$ 218.04		} Examples 12 & 14
	<u>\$ 301.11</u>	
		} Example 15 Also see Example 16 for example using §75.54(d)
<u>\$ 39.71</u>		
	<u>\$ 178.33</u>	
	<u>\$ 301.11</u>	

^a Under §75.54(c), 9/13/2001 thru 6/30/2002 = 291 days. Thus, the proration of 53 days + 238 days = 291 days.

Roll Maintenance Section
Chapter C-7

TAX ROLL CHANGES

- Part 1: Overview
- Part 2: Incorrect Entries
- Part 3: Penalties
- Part 4: Assessment Appeals Board (AAB) Decisions
- Part 5: Escape Assessments
- Part 6: Cancellations
- Part 7: Requests for Separate Valuation
- Part 8: Transfer to Unsecured Roll
- Part 9: Direct Charges
- Part 10: Refunds
- Part 11: Religious and Welfare Tax Exemptions
- Part 12: Calamities and Disaster Relief
- Part 13: Public Acquisitions

Part 1 OVERVIEW

INTRODUCTION

There are specific code sections that authorize the Board of Supervisors, District Attorney (**County Counsel**), the Assessor, the Auditor-Controller, and the Tax Collector to perform certain facets of property tax **roll** changes.

MAIN TOPIC

Part 9 of the Revenue and Taxation Code (R&T), beginning with R&T Code §4801, outlines corrections, cancellations, and refunds to the various property tax rolls. R&T Code §530 et seq. contains the laws for adding **escape assessments** to the property tax rolls. The following chapters will explain roll corrections and maintenance. **Roll corrections** are to correct errors by the **jurisdiction**, State **Board of Equalization (BOE)**, Assessor, assessee, Auditor-Controller, and Tax Collector. The corrections may create a new bill, corrected bill, or refund. **Roll maintenance** includes **Assessment Appeals Board (AAB)** decisions, court ordered changes, tax change orders, cancellations orders, bond payoffs, parcel **segregations**, and addition of penalties, costs and interest charges to the tax amount due.

METHODOLOGY

By resolution, the Board of Supervisors may delegate to any county officer the authority to order roll changes for the board, and also may waive the required written consent of county counsel (R&T Code §4804). Usually the Assessor, Auditor, Tax Collector, or a committee is appointed to perform these duties. Certain R&T codes give authority to the Assessor, Auditor, or Tax Collector

to order specific types of roll changes. Authorized corrections are made by the County Auditor (R&T Code §4834), except corrections due to clerical errors on the **delinquent roll**, which may be made by the Tax Collector (R&T Code §4834.5).

The **tax rate** applied to the correction must be the tax rate for the year being corrected (R&T Code §532). The increased taxes on the current **assessment year** are entered on the roll prepared or being prepared for the current assessment year (R&T Code §4836.5). Under no circumstances shall a taxpayer have less than 30 days to pay without penalty (R&T Code §2610.5). The Tax Collector must give approval for any increase to be added to the **current roll** being collected after the **lien date** (R&T Code §4836.5). (See Exhibit 1-2). The State Legislature periodically makes changes to California code sections, which may be county specific. Delinquent dates and due dates are provided in Exhibit 1-1.

ACCOUNTING TREATMENT

- Changes to the property tax rolls may cause a need for adjustment of the charge to the Tax Collector (R&T Code §4837 and §4880).
- Corrections resulting in a decrease to the tax roll may cause a need for **reverse apportionment** if they result in refunds. Also see **Redevelopment Annual Tax Increment (RDATI) Chapter**.
- Current and prior corrections resulting in an increase to the tax rolls are added, collected, and distributed on the current rolls. Also see Redevelopment Annual Tax Increment (RDATI) Chapter.

RELATED TOPICS

Apportionment of Taxes (refunds)

History chapter

State Reports and Claims: Homeowner's Exemption Relief Claim (HOPTR)

State Board of Equalization (BOE)

Proposition 218

Direct/Special Assessments

Uniform Guidelines – Calculation of Interest on Tax Refunds

Redevelopment Annual Tax Increment RDATI

Due and Delinquent Dates

Roll Type	Secured		
Mail Date	7/1 thru 10/31	11/01 thru 2/29	3/1 thru 5/30
R & T Code	2610.5		
1st installment Due Date	11/1	30 days	30 days
R & T Code	2605, 2701	2610.5	2610.5
Delinquent Date	12/10	30 days	30 days
R & T Code	2617, 2704	2610.5	2610.5
2nd installment Due Date	02/01	02/01	30 days
R & T Code	2602, 2607, 2702	2602, 2607, 2702	2610.5
Delinquent Date	04/10	04/10	30 days
R & T Code	2618, 2619, 2705	2618	2610.5

Roll Type	Unsecured	
Mail Date	7/1 thru 7/31	8/1 thru 5/30
R & T Code	2910.5	
1st installment Due Date	8/31	Last day of month mailed + 1 month
R & T Code	2922	2922
Delinquent Date	8/31	Last day of month mailed + 1 month
R & T Code	2922	2922
2nd installment Due Date	n/a	

Roll Type	Supplemental - Secured	
Mail Date	7/1 thru 10/31	11/01 thru 6/30
R & T Code	75.52	75.52
1st installment Due Date	Date mailed	Date mailed
R & T Code	75.52	75.52
Delinquent Date	12/10	Last day of month mailed + 1 month
R & T Code	75.52	75.52
2nd installment Due Date	Date mailed	Date mailed
R & T Code	75.52	75.52
Delinquent Date	04/10	4 months from 1st installment delinquent date
R & T Code	75.52	75.52

Roll Type	Supplemental - Unsecured	
R & T Code	75.54	Collected as regular unsecured

**LETTERHEAD for
TAX COLLECTOR, COUNTY OF OZ**

DATE: February 5, 1999
TO: Auditor, County of Oz
FROM: Tax Collector, County of Oz
RE: Processing Time Frame for Escape Assessments

I hereby give my approval for the Auditor-Controller's Office to process any increase to the current roll being collected through April 15, per Revenue and Taxation Code §4836.5 (SB11007, 1197).

The April 15 deadline allows our office adequate time to mail the tax bills by April 30. This will insure the taxpayer will have 30 days notice of their delinquency date of May 31. These time frames will also fall within our schedules for closing the current tax year by June 30.

If you have any questions, please call me.

Cc: Assessor, County of Oz

Exhibit 1-2

Part 2 INCORRECT ENTRIES

INTRODUCTION

Incorrect entries to the tax rolls can be caused by the Assessor, assessee, Auditor, Tax Collector, or the State **Board of Equalization (BOE)** and may be corrected.

MAIN TOPIC

Incorrect entries are **assessments** or taxes put on the property tax rolls inaccurately, untimely or by mistake. How the property tax **roll** is corrected depends on the type of incorrect entry.

METHODOLOGY

Most incorrect entries:

If a correction increases the amount of an assessment, the **tax rate** applied to the increase must be the tax rate for the year being corrected. The County Auditor shall enter the increased taxes on the **current roll**. The Tax Collector must give approval for an increase to be added to the current roll being collected after the **lien date** (R&T Code §4836.5). (Exhibit 1-2 IN Part 1)

Incorrect entries on the roll may be corrected at any time after the roll is delivered to the Auditor and within four years after the original assessment was made. A correction involving the failure to reflect a decline in the **net taxable value of real property (Proposition 8 correction)** shall be made within one year after the original assessment was made.

Any increase in the amount of taxes on real property must be added to the **unsecured** roll if the property has been sold before the correction has been entered on the current roll (R&T Code §4836.5).

Taxes mistakenly entered as a **lien** on real property on the **secured** roll can be canceled and then re-entered, either as **cross-secured** to other real property on the secured roll or on the unsecured roll (R&T Code §4840).

Assessee errors:

The four-year time limit for assessment of taxes can be extended for assessee errors. Assessments based on erroneous information supplied by the assessee may be corrected within six months after completion of an Assessor's audit of a taxpayer's books and records (R&T Code §441 et seq.). If property has escaped taxation following a **change of ownership**, the assessment may be corrected after discovery, if the change of ownership report has not been filed by the new owner (R&T Code §532). Interest (R&T Code §506) or penalties (R&T Code §504) may be added to assessment errors caused by the assessee.

Auditor errors:

The Auditor's clerical errors on all rolls may be corrected at any time. However, a correction to the **delinquent roll** can not be made once a **parcel** has been included on the Tax Collector's report to the State Controller of property declared **tax defaulted**, pursuant to R&T Code §3440, or the summary statement required by R&T Code §3446 (R&T Code §4832).

The Auditor may cancel a clerical error if the amount of tax is less than \$5.00 and need not note this cancellation on the roll. (R&T Code §4832.1)

Tax Collector's Errors:

Clerical errors made in preparing the **abstract** may be corrected by the Tax Collector at any time before the property has been sold to a purchaser in a Chapter 7 or a Chapter 8 sale (R&T Code §4834.5). If the correction will decrease the amount of unpaid taxes, the consent of the Board of Supervisors may be necessary (R&T Code §4835). Penalties and costs may be canceled by the Auditor if payments are not posted timely (R&T Code §4985).

State Board of Equalization Errors:

Errors on the State **Board roll** may be corrected within four years after the assessment was made or longer if a waiver was given by the assessee under R&T Code §858 (R&T Code §4876 and §4876.5). Upon receipt of the notification from the BOE (R&T Code §4879), the Auditor enters the correction on the roll and adjusts their account with the Tax Collector accordingly (R&T Code §4880). (Exhibits 2-1 and 2-2)

Due dates for corrected bills:

Under no circumstances shall a taxpayer have less than 30 days to pay without penalty (R&T Code §2610.5). Delinquent dates and due dates are provided in Exhibit 1-1 in Part 1. The Tax Collector must give approval for any increase to be added to the current roll being collected after the lien date. (R&T Code §4836.5) (Exhibit 1-2 in Part 1)

ACCOUNTING TREATMENT

See Part 1, Overview

RELATED TOPICS

See Part 1, Overview

STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
VALUATION DIVISION

450 N STREET MC 61, SACRAMENTO, CALIFORNIA 95814
PO BOX 942879, SACRAMENTO CA 94279-0061
TELEPHONE (916) 322-2323
FAX (916) 322-3183

ROLL CHANGE FILE

JOHAN KLEHS
First District, Hayward

DEAN F. ANDAL
Second District, Stockton

ERNEST J. DRONENBURG, JR.
Third District, San Diego

KATHLEEN CONNELL
Controller, Sacramento

JOHN CHIANG
Acting Member
Fourth District, Los Angeles

E. L. SORENSEN, JR.
Executive Director

November 7, 1997

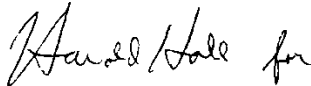
Honorable Joe Harn
El Dorado County Auditor-Controller
Attn: Ms. Luella Roenfeldt, Property Tax Section
360 Fair Lane
Placerville CA 95667

Dear Mr. Harn:

The Board has ordered that a roll change be made as described in the enclosed Statement of Change Number 09-03 to the 1997 Board Roll.

If you have any questions, please contact Ms. Shirley Williams at (916) 322-2117 or Mr. Harold Hale at (916) 324-0031.

Sincerely,


Ramon J. Hirsig, Chief
Valuation Division

RJH:lv

Enclosure

cc: Mountain Cellular No. 2672

Exhibit 2-1

C7, Part 2 - 3

Part 3 PENALTIES AND COSTS

INTRODUCTION

Taxes unpaid after the delinquency date are subject to penalties, costs and fees.

MAIN TOPIC & METHODOLOGY

Current Secured

(R&T Code §2618, §2619, §2621, §2623, §2624, §2626, §2705, §2705.5, §2706, and §2707)

The first installment is due November 1, if unpaid or postmarked after the close of business on December 10th, the Auditor attaches a 10% penalty to the charge (R&T Code §2617 and §2704). The Auditor must, prior to February 1, (a) compute and enter the delinquent penalty against all taxes, including **direct charges**, on the secured **roll** that are not marked paid; (b) foot the penalties; (c) charge the Tax Collector with the total penalties due on the secured roll; (d) deliver the secured roll to the Tax Collector (R&T Code §2623).

Example Unpaid 12/11

<u>1st Installment</u>		<u>2nd Installment</u>	
Taxes	\$200.00	Taxes	\$200.00
Penalty	<u>20.00</u>	Penalty	<u>0</u>
Total	<u>\$220.00</u>	Total	<u>\$200.00</u>

The second installment is due February 1, if unpaid or postmarked after the close of business on April 10, a 10% penalty is attached to the charge (R&T Code §2618 and §2705). The Tax Collector shall also collect a \$10 cost for preparing the tax records and giving notice of delinquency on each separate **valuation** on the secured roll of (a) **real property**, except **possessory interests**, (b) possessory interests, and (c) **personal property cross-secured** to real property (R&T Code §2621 and §2706).

Example Unpaid 4/11

<u>1st Installment</u>		<u>2nd Installment</u>	
Taxes	\$200.00	Taxes	\$200.00
Penalty	<u>20.00</u>	Penalty	<u>20.00</u>
		Cost	<u>10.00</u>
Total	<u>\$220.00</u>	Total	<u>\$230.00</u>

After the second half of the taxes are delinquent the Tax Collector shall prepare a **delinquent roll** (R&T Code §§ 2624 and 2707). The delinquent roll in this instance is a roll for taxpayers that are delinquent on their second installment in the current year and not the secured delinquent roll for prior year's delinquencies.

The Auditor shall, on or before June 1st, compare the delinquent roll and (a) foot the taxes and penalties, (b) credit the Tax Collector with the unpaid taxes and penalties, and (c) make a final settlement with the Tax Collector of all taxes and penalties charged on the **secured roll** (R&T

Code §2626). Then within three days after the settlement (a) compute and enter the penalties on the delinquent roll, (b) charge the Tax Collector with the amount due on the delinquent roll, and (c) deliver the delinquent roll duly certified (Exhibit 3-1) to the Tax Collector (R&T Code §2627 and §2855).

Supplemental Current (R&T Code §75.52, §75.53, and §3436)

The **supplemental roll** is a continuous roll, bills can be mailed out all year long. If the bill is mailed between July and October, the first installment is delinquent at 5:00 p.m. 12/10 and the second installment is delinquent at 5:00 p.m. 4/10. If the bill is mailed within the months of November through June, the first installment will become delinquent at 5:00 p.m. on the last day of the month following the month in which the bill was mailed. The second installment is delinquent at 5:00 p.m. four months following the first installment's delinquent date (R&T Code §75.52).

If the taxes due are not paid on or before they become delinquent, a penalty of 10% shall attach to them (R&T Code §75.52). The Tax Collector shall also collect a \$10.00 cost (or higher as allowed) on the second installment only, for preparing the tax records and giving notice of delinquency on each separate valuation on the roll of (a) real property, except possessory interests, (b) possessory interests, and (c) personal property cross-secured to real property (R&T Code §75.52, §2621, §2706).

Taxes, which are a **lien** on real property, that have not been paid in full at 12:01 a.m. July 1st shall be declared as **defaulted taxes**, as long as both installment delinquency dates are on or before June 30th. (R&T Code §75.53 and §3436) An unpaid second installment with a delinquency date in the subsequent year shall not be declared in default.

Example Bill date 11/1 Unpaid 6/1

1 st Installment		2 nd Installment	
Taxes	\$200.00	Taxes	\$200.00
Penalty 12/31	<u>20.00</u>	Penalty 4/30	20.00
Total	<u>\$220.00</u>	Cost 4/30	<u>10.00</u>
		Total	<u>\$230.00</u>

This example shows how much is due at June 1st to pay in full for each installment, as well as when the penalties were applied.

Redemption Penalties and Fees (R&T Code §4102 and §4103)

If the secured or supplemental assessments are not paid before July 1, they are subject to a **1½% redemption penalty** per month. If the last day of any month falls on a weekend or holiday the redemption penalty will attach after the close of business on the next business day (R&T Code §4103). A **redemption fee** of \$15.00 is also necessary to redeem (R&T Code §4102).

Example	Tax	\$400.00
	10% Penalty	40.00
	Cost	10.00
	Redemption Fee	15.00
	Redemption Penalty (5 months)	<u>30.00</u>
	Total paid 11/15	<u>\$495.00</u>

Current Unsecured (R&T Code §2922)

Unpaid taxes on the unsecured roll as of July 31 are delinquent at 5:00 p.m. or the close of business, whichever is later, on August 31. Delinquent taxes are subject to a delinquent penalty of 10% (R&T Code §2922.a). Taxes added to the unsecured roll after July 31, if unpaid are delinquent and subject to a 10% penalty at 5:00 p.m. or close of business, whichever is later, on the last day of the month succeeding the month of enrollment (R&T Code §2922.b).

Example	Unsecured Unpaid as of 9/1 Original Bill Due 8/31
	Taxes \$200.00
	10% Penalty <u>20.00</u>
	Total Due 9/1 \$220.00

Taxes remaining unpaid at 5:00 p.m. or on the close of business, whichever is later, on the last day of the second month following the 10% penalty attachment, shall be subject to an additional penalty of 1½ % of the original tax, attaching on the first day of each succeeding month. The additional penalties shall continue to attach until the time of payment or until a court judgment is entered for the amount of unpaid taxes and penalties, whichever occurs first (R&T Code §2922.d).

The Tax Collector may collect actual costs of collection incurred by the county up to the time the delinquency is paid (R&T Code §2922.e).

Example	Unsecured Unpaid as of 11/30, Original Bill Due 8/31
	Taxes \$200.00
	10% Penalty 20.00
	1 ½ % Penalty 3.00
	Collection Costs <u>22.00</u>
	Total Due 11/30 \$245.00

ACCOUNTING TREATMENT

All penalties collected go to the county's general fund, except for those collected on the **redemption roll**, which follow the tax (R&T Code §4653.6, §4653.7, §4655.4, and §4658.4), and **Teetered** taxes, which go to the **Tax Losses Reserve Fund**. Costs collected are to go to the county's general fund to be used by the Tax Collector (R&T Code §4653.8). Of the \$15.00

redemption fee collected, \$10.00 goes to the county's general fund and \$5.00 goes to the state's general fund (R&T Code §4656.5).

RELATED TOPICS

See Part 1, Overview

Roll Corrections & Maintenance - Cancellations

Teeter

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

(On or before June 1)

STATE OF CALIFORNIA)
COUNTY OF OZ)

I, _____, Auditor of Oz County, certify that I have computed and entered the delinquent penalties and costs on the secured roll as required by law; that I hereby charge the Tax Collector with said penalties and costs of \$_____; and hereby deliver the secured roll to the Tax Collector. (R&T §2855)

OZ COUNTY AUDITOR

BY _____, Deputy

Cc: Tax Collector, County of Oz

Exhibit 3-1

C7, Part 3 – 5

Part 4 ASSESSMENT APPEALS

INTRODUCTION

A property owner may file an application for **assessment appeals**. There are two types of **assessment appeals boards (AAB)**:

- The **County Board of Equalization** hears assessment appeals on the rolls prepared by the Assessor (R&T Code §1600 et seq.).
- The State **Board of Equalization (BOE)** hears assessment appeals on **state assessed property** (R&T Code §108) and publicly owned property (R&T Code §1800 et seq.).

MAIN TOPIC

Appeals must be filed within July 2 and September 15, inclusive, or within 60 days of notice of assessment. The board of equalization meets to determine if the property of a taxpayer appearing before the board has been valued at **market value**. The applicant presents evidence supporting their view of the property value. The Assessor shall attend all hearings and may make a statement or produce evidence. In the case of a single, owner-occupied dwelling, the burden of proof rests with the Assessor to justify the value placed on the **roll**. The AAB shall make a determination of the full value of each **parcel** for which an application for equalization is made. If a final determination is not made within 2 years of the timely filing of an application for reduction in assessment of property, the taxpayer's opinion of the market value shall be the value for the tax year covered by the application. An extension for hearing may be agreed upon between the taxpayer and the AAB. A **stipulation** on the value of the property between the Assessor and the applicant may be accepted by the AAB (R&T Code §1607).

METHODOLOGY

Local Roll: The county Board of Supervisors may delegate these duties and appoint a board or hearing officer. This appointed board is known as the **local board of equalization** or the local assessment appeals board (AAB). The clerk of the Board of Supervisors shall be the clerk of the AAB and keep a record of their proceedings (R&T Code §1628). On the second Monday of each month, the clerk shall deliver to the Auditor the statement of all changes made by the AAB during the preceding calendar month. The Auditor shall correct the roll to reflect the changes (R&T §1614 and §1646.1). See Exhibit 4-1, "Quick Reference Chart for Calculating R&T Code §5151 Interest," to determine how to calculate interest on refunds related to the AAB.

State Board Roll: When the review, equalization, and adjustment of the State Board are completed, the secretary of the board shall transmit a notice of the action of the board to the applicant and the Auditor. The changes are entered on the **local roll** by the Auditor upon receipt of a notification from the BOE. (Exhibits 2-1 and 2-2 in Part 2). The Auditor files the statement as a **public record** and adjusts their account with the Tax Collector (R&T Code §5013 and §5014).

Due dates for changed bills: Under no circumstances shall a taxpayer have less than 30 days to pay without penalty (R&T Code §2610.5). Due dates and delinquent dates are provided in Exhibit 1-1 in Part 1. The Tax Collector must give approval for any increase to be added to the **current roll** being collected after the **lien date**. (R&T Code §4836.5) (Exhibit 1-2 in Part 1).

ACCOUNTING TREATMENT

See Part 1, Overview

RELATED TOPICS/CHECKLISTS

Part 1, Overview

Quick Reference Chart for Calculating R&T Code Section 5151 Interest

Refund Category	Examples of R&T Codes for Category	Interest Calculation Dates		Authorizing Code
		Starting "From Date"	Ending "Through Date"	
Assessment Appeals Board (County Board of Equalization)	1607 1610.8 1614 1646.1	Date(s) tax paid	Within 30 days of mailing or delivery of refund *	R&T5151(c)(1)(A)-(B)
Assessor's Adjustment of Base Year Value, Correction to Roll, Incorrect Roll Entry	51 51.5 4831	Date(s) tax paid	Within 30 days of mailing or delivery of refund *	R&T5151(c)(1)(A)-(C)
Court Orders - Other	Various	As specified by court. If not specified, then from date tax paid	As specified by court. If not specified, within 30 days of mailing or delivery of refund *	Various
Disaster Relief (ONLY if not paid within 120 days of assessor authorizing Auditor to make reduction)	69 69.3 170	Date of filing of claim for refund, or payment of tax, whichever is later	Within 30 days of mailing or delivery of refund *	R&T5151(c)(3)
Public Acquisition	5081-5086 5096.7	Date of recordation of deed	Within 30 days of mailing or delivery of refund *	R&T5151(a) & R&T5151(c)(1)(C)(2)
Recovery of R&T 830 failure to file property statement penalty allowed by Court	830 5150.5	Date of filing of claim (as long as this is not earlier than the payment date)	Date of Entry of Judgment	R&T5150.5
State Board of Equalization	4876	Date(s) tax paid	Within 30 days of mailing or delivery of refund *	R&T5151(c)(1)(A) & (C)
Supplemental Negative Assessments (ONLY if not paid within 90 days of enrollment)	75.43	30 days after the date of enrollment	Date refund is mailed	R&T 75.43(b)
All Other (including such things as Prop. 8, assessee error, and all others not specified above)	Various	Date of filing of claim for refund, or payment of tax, whichever is later	Within 30 days of mailing or delivery of refund *	R&T5151(c)(3)

* Many counties use the date the roll change is completed by the Auditor for this date.

Exhibit 4-1

Part 5 ESCAPE ASSESSMENTS

INTRODUCTION

Within certain statutory time limitations, if any property belonging on the **local roll** has **escaped assessment**, the Assessor shall assess the property upon discovery at its value on the **lien date** for the year for which it escaped assessment (Revenue & Taxation (R&T) Code §531). These changes are to be recorded on the **current roll** by the County Auditor using the tax year in effect in the year of its escape. In addition, **direct charges** may be added, at the request of a **taxing jurisdiction**, to the current roll as an escaped assessment (R&T Code §4801, §4831, §4836.5).

MAIN TOPIC

Property may escape assessment due to:

- error by the Assessor
- error by the assessee
- failure to file a property statement
- **exemption** incorrectly allowed
- unrecorded **change of ownership**
- error by levying district with regards to direct charges (R&T Code §4801, §4831, and §4836.5)

If an omission by the assessee is willful or fraudulent, penalty and interest shall be added to the additional assessment under R&T Code §504 and §506.

METHODOLOGY

The **tax rate** applied to the increase must be the rate for the year in which the assessment should have been made (R&T Code §531 and §4836.5). The Auditor shall enter the increased taxes on the roll prepared or being prepared for the current **assessment year** (R&T Code §534 and §4836.5). The Tax Collector must give approval for any increase to be added to the current roll being collected after the lien date (R&T Code §4836.5) (Exhibit 1-2 in Part 1).

Entries on the roll may be corrected at any time after the roll is delivered to the Auditor and within four years after the original assessment was made (R&T Code §4831 and §531 et seq.). This four-year time limit may be extended under the following conditions:

- Assessments based on erroneous information supplied by the assessee may be corrected within six months after completion of an Assessor's audit of a taxpayer's books and records (R&T Code §441 et seq.).
- Under-assessments may be corrected after discovery if the change of ownership report has not been filed by the new owner (R&T Code §532).
- Assessments involving fraud or willful concealment may be corrected within six years after July 1 of the year in which the escape occurs.

Arbitrary and penal assessments may be entered on the roll by the Assessor under R&T Code §501, §502, §503, §504 and §506. Interest may also be added to the tax at the rate of three-fourths (3/4) of 1 percent per month from the date(s) the taxes would have become delinquent if they had been timely assessed to the date the additional assessment is added to the assessment roll (R&T Code §506). When collected, this interest is distributed in the same manner as taxes.

Any increases (escapes) in assessment shall use the tax rate that would have been used if the property had been taxed timely on the **secured** roll (R&T Code §§531.2 and 4836.5). Any increase in the amount of taxes, including direct charges, on **real property** must be added to the **unsecured** roll if the property “sold” or was “encumbered” subsequent to July 1 of the year of escape and before the correction was entered on the current roll (R&T Code §4836.5 and §531.2) as shown in the examples below. “Sold” is defined by R&T Code §4836.5 as “transferred or conveyed to a bona fide purchaser for value”, while “encumbered” is defined as “subject to a bona fide encumbrance for value”.

**REAL PROPERTY ESCAPED BILL WITH CHANGE OF OWNERSHIP
ILLUSTRATIVE EXAMPLES OF SECURED VERSUS UNSECURED**

Year Escaped	July 1 applicable	Change of Ownership Date	Added to Roll	Secured or Unsecured ¹
2007/08	7/1/07	8/5/07	10/15/10	Unsecured
2008/09	7/1/08	8/5/07	10/15/10	Secured
2009/10	7/1/09	8/5/07	10/15/10	Secured
2010/11	7/1/10	8/5/07	10/15/10	Secured
2007/08	7/1/07	8/5/08	10/15/10	Unsecured
2008/09	7/1/08	8/5/08	10/15/10	Unsecured
2009/10	7/1/09	8/5/08	10/15/10	Secured
2010/11	7/1/10	8/5/08	10/15/10	Secured
2007/08	7/1/07	8/5/09	10/15/10	Unsecured
2008/09	7/1/08	8/5/09	10/15/10	Unsecured
2009/10	7/1/09	8/5/09	10/15/10	Unsecured
2010/11	7/1/10	8/5/09	10/15/10	Secured
2007/08	7/1/07	8/5/10	10/15/10	Unsecured
2008/09	7/1/08	8/5/10	10/15/10	Unsecured
2009/10	7/1/09	8/5/10	10/15/10	Unsecured
2010/11	7/1/10	8/5/10	10/15/10	Unsecured

¹This table presumes no proration under R&T Code §531.2(c)

Note that taxes resulting from **escape** assessment shall be prorated **if** the Board of Supervisors of a county has adopted a resolution specifying that taxes shall be prorated when real property has been transferred or conveyed to a bona fide purchaser for value subsequent to July 1 of the year in which the property should have been taxed (§531.2 (c)). The Auditor shall prorate shares of taxes for each owner of record. The share of taxes of the current owner of the real property shall be placed on the secured roll as a **lien** on the **parcel** for which the escaped assessment was discovered. The share of taxes of any previous owner during the year of assessment shall be entered on the unsecured roll.

Under no circumstances shall a taxpayer have less than 30 days to pay without penalty (R&T Code §2610.5). Due dates and delinquent dates are provided in Exhibit 1-1 in Part 1. A secured escaped bill would have two installments under the same methodology as an originally extended tax bill as discussed in Chapter B5.

An escape assessment for prior **fiscal years** may be paid over a four-year period (AKA **4 year pay plan**) at the option of the assessee and no additional penalties shall be charged if the following conditions exist (R&T Code §4837.5):

- the additional tax is over \$500
- written request is filed with the Tax Collector within a specific time frame
- 20% or more of the tax is paid with the request
- if secured, the property does not become **tax defaulted**, or if unsecured, the current taxes are not delinquent
- installment payments of 20% must be paid before delinquent dates
- the additional tax is not a **supplemental** bill
- a fee is paid to cover the actual cost of processing the request (if the Tax Collector has established a fee)

For secured assessments, the request for a 4 year pay plan must be made prior to the second installment delinquent date, or the last day of the month following the month in which the tax bill is mailed, whichever is later. For unsecured assessments, the request for a 4 year pay plan must be filed prior to the date on which those taxes become delinquent. The Tax Collector may establish a fee for the actual cost of processing a request to pay escaped assessments in installments (R&T Code §4837.5(i)).

Note: Prior to fiscal year 1981/82, all property was assessed and reported at 25% of **market value** and taxed using a **\$4 tax rate** per \$100 of assessment. Commencing with 1981/82, all property is assessed and taxed at 100% of market value with the applicable rate being \$1 per \$100 of value.

ACCOUNTING TREATMENT

See Part 1, Overview

RELATED TOPICS

Part 1, Overview
Chapter B2, Direct Charges

Part 6 CANCELLATIONS

INTRODUCTION

Cancellation of tax, penalties, costs and other charges on the property tax rolls may be ordered by the levying ***jurisdiction***, Board of Supervisors, State ***Board of Equalization (BOE)***, Assessor, Auditor or Tax Collector under specific code sections (Revenue & Taxation (R&T) Code §4985 - §5091).

MAIN TOPIC

Cancellation of uncollected tax, direct charge, penalty or cost shall be canceled by the Auditor if it was levied or charged:

- more than once (R&T Code §4986(a)(1)).
- erroneously or illegally (R&T Code §4986(a)(2)).
- by BOE and ordered cancelled as a correction under R&T Code §4876.
- on property which did not exist on the ***lien date*** (R&T Code §4986(a)(4)).
- on property annexed after the lien date by the ***public entity*** owning it (R&T Code §4986(a)(5)).
- on property acquired by the United States, the state, or by any county, city, school district or other public entity, to the extent in article 5, commencing with §5081 (R&T Code §4986(a)(6)).
- on property that was acquired after the lien date by a city on foreclosure proceedings under the Improvement Act of 1915 (See ***1915 Act Bonds***) or the ***Mello-Roos Community Facilities Act of 1982 (R&T Code §4986.3)***.
- and the tax amount is smaller than the cost of collection (R&T Code §4986.8).
- by more than one county (R&T Code §4988).
- Cancellation of any delinquent penalty, cost, redemption penalty, interest, or ***redemption fee*** shall be canceled upon satisfactory proof submitted by the Tax Collector, the Auditor, or the Assessor if: (R&T Code §4985).
- such charges attached because of an error of said official (R&T Code §4985 (a)).
- the official failed to complete valid procedures prior to the delinquency date and payment was made within 30 days from the date that a correction was made on the roll (R&T Code §4985(b)).
- failure to make timely payment is due to reasonable cause and circumstances beyond the taxpayer's control and proper payment is made no later than June 30 of the 4th ***fiscal year*** following delinquency (R&T Code §4985.2).
- there was an inadvertent error in the amount of payment and the proper amount is paid within 10 days after notice of shortage (R&T Code §4985.2(b)).
- the cancellation is ordered by a local, state or federal court (R&T Code §4985.2(c)).

METHODOLOGY

Cancellations are entered on the ***roll*** by the Auditor (R&T Code §4986(a)). No cancellation of erroneously or illegally charged taxes shall be made on behalf of a city without the written consent of the city attorney unless the city council has authorized the cancellation by county officers by resolution (R&T Code §4986(b)).

The BOE may order cancellation of double, erroneous or illegal **assessments**, or an assessment of **improvements** that did not exist on the **lien date** (R&T Code §5011). The Auditor enters the cancellation on the county roll, files the statement as a **public record** and adjusts their charge to the Tax Collector (R&T Code §5013 and §5014).

The Auditor may not cancel taxes due to a **public acquisition** until the following items noted in R&T Code §5082.1 have been completed by the public entity:

- Provide the local Assessor and Auditor a copy of the instrument evidencing the acquisition of property by the entity.
- Indicate the **date of apportionment** on the instrument referred to above. The date of apportionment is the earliest of the following:
 - Recording date of the instrument;
 - Actual possession date; or
 - Date which agency has right to possession.
- Request the Auditor to cancel taxes for the remaining portion of the fiscal year after the date of apportionment.
- Provide a map of the acquired property.
- Current and prior year taxes due before the date of apportionment must be paid at the close of escrow or from the award in **eminent domain** (R&T Code §2921.5(a) and §5084(b)).

Any refunds shall be paid to the person who has paid the tax (R&T Code §5096.7 and §5104). See Exhibit 4-1 in Part 4 to determine how to calculate the interest on such refunds. Any taxes not subject to cancellation are transferred to the **unsecured** roll and are collectable from the person from whom the property was acquired or the public entity that acquired the property (R&T Code §5084 and §5090). However, the Federal government may not be liened (Supremacy Clause). A sample letter to the agency from the Auditor explaining cancellation requirements is provided in Exhibit 6-1. A sample letter to Assessor and Auditor from an agency requesting cancellation is provided in Exhibit 6-2.

All or any portion of any uncollected tax, penalty or costs, may, on satisfactory proof submitted by the Tax Collector, be cancelled by the Auditor on order of the Board of Supervisors upon a showing that the collection of the delinquent tax cannot be enforced because of any error (R&T Code §4946).

ACCOUNTING TREATMENT

See Part 1, Overview

RELATED TOPICS

Part 1, Overview

**LETTERHEAD for
AUDITOR-CONTROLLER, COUNTY OF OZ**

TO: WHOM IT MAY CONCERN:

RE: CANCELLATION OF TAXES ON GOVERNMENT EXEMPT PROPERTIES

Per Section 4987 of the Revenue and Taxation Code, compliance with the statutory procedure for claiming the exemption is required for cancellation of charges on tax exempt property.

Section 5082.1 of the Revenue and Taxation Code sets forth the statutory procedure for the public entities:

- (a) Provide the local assessor and auditor a copy of the instrument evidencing the acquisition of property by the entity.
- (b) Indicate on the instrument referred to in subdivision (a) the date of apportionment*.
- (c) Request the auditor to cancel taxes for the remaining portion of the fiscal year after the date of apportionment.
- (d) Provide a map of the acquired property.

Section 2921.5(a) states that all current taxes due before the date of apportionment must be paid at the close of escrow or from the award in eminent domain. Section 5084(b) further states that all prior year taxes must be paid at the close of escrow or from the award of eminent domain.

Pursuant to R&T Code §5096.7 and §5104. Any refund on taxes shall be paid to the person who has paid the tax.

The Assessor and the Auditor cannot act unless these procedures are complied with by the public entity. Only requests to cancel taxes from an officer authorized to make such a request on behalf of the public entity will be processed. Requests from former owners, escrow/title companies, real estate agents, etc., cannot be honored. In this manner, misinformation and misunderstanding of any facts regarding the transfer will be minimized.

Very truly yours,

AUDITOR-CONTROLLER

Property Tax Manager

*The date of apportionment is the earliest of the following times:

- a) recording date of the instrument; b) actual possession date, or c) date which agency has right to possession.
- See Revenue and Taxation Code Section 5085.

Exhibit 6-1

City of Emerald
111 Yellow Brick Road
OZ, CALIFORNIA 99999
Phone: (555) 555-5555 FAX: (555) 555-5511

November 15, 2010

County of Oz
Auditor-Controller
5500 Yellow Brick Road, Suite 100
Poppy Field, CA 95555

AND County of Oz
Assessor
5500 Yellow Brick Road, Suite 200
Poppy Field, CA 95555

RE: Public Acquisition

The Emerald City recently acquired property in County of Oz that qualifies for exemption from property taxes under R&T Code §5081 et seq. This letter provides the notification required under R&T Code §5082.1.

The pertinent details are as follows:

1. Assessor's Parcel Number (APN) 123-050-13-100.
2. Please use this letter as a request for the County Auditor to cancel the property taxes for the remaining portion of the fiscal year after the date of apportionment.
3. A copy of the recorded deed is enclosed which evidences the acquisition of the property.
4. A map of the acquired property is enclosed.
5. The "date of apportionment" is 9/15/10, which is the earliest of the following dates (check one):
☒ Date of the conveyance to the acquiring entity or the final order of condemnation was recorded.
☐ Date of actual possession by the acquiring entity.
☐ Date upon or after which the acquiring entity may take possession as authorized by an order for possession or by a declaration of taking.
☐ Date of trial in case of eminent domain as provided in CCP Code §1260.250.
6. The City of Emerald acquired the (check one):
☒ Fee Interest in the entire property
☐ Fee Interest in a portion of the property
☐ Easement Interest Only (no fee interest) in the entire property
☐ Easement Interest Only (no fee interest) in a portion of the property

Regards,

City of Emerald Finance Manager

Exhibit 6-2

C7, Part 6 - 4

Part 7

REQUESTS FOR TAX/LIEN SEPARATION OR VALUE SEGREGATION

INTRODUCTION

Any taxpayer or interested party may file an affidavit of interest and request to have a **parcel** separately valued on the **current roll** for the purpose of paying taxes Revenue and Taxation (R&T) Code §2821. Separate payment of taxes from the whole **assessment** is provided for any parcel of real property if the parcel is described in any duly executed and recorded deed, purchase contract, deed of trust, mortgage, or final decree of court if the parcel has a separate **valuation** on the current roll. This segregating of parcels for payment of taxes is done by **segregation** of the parcel or by separately billing the **undivided interests**.

Any taxpayer or interested party may file an affidavit of interest and request to have a **parcel** separately valued on the **current roll** for the purpose of paying taxes Revenue and Taxation (R&T) Code §2821. Separate payment of taxes from the whole **assessment** is provided for any parcel of real property if the parcel is described in any duly executed and recorded deed, purchase contract, deed of trust, mortgage, or final decree of court if the parcel has a separate **valuation** on the current roll. This segregating of parcels for payment of taxes is done by **segregation** of the parcel or by separately billing the **undivided interests**.

Additionally, it is the policy of the state to provide for the satisfaction and removal of any lien secured to any parcel of real property appearing on the current roll (R&T§2801(a)). Typical examples of such liens include **1915 Act Bond** special assessments, **Mello-Roos Community Facilities District Act of 1982** Special Taxes, **Property Assessed Clean Energy (PACE) Bonds**, delinquent water/sewer bills, abatements, etc.

MAIN TOPIC

A segregation is the division of an existing parcel into two or more parcels between **lien dates**. Improvements are not considered to be separate from the land on which they are situated. However, **personal property**, leasehold **improvements**, **possessory interests**, **special assessments**, or other **direct charges** may be paid separately from the whole assessment.

An undivided interest is an ownership by two or more persons in the same property, the interest of each may not be equal. Any such separations of property are for taxing purposes only and are not intended to create a legal building site or to supersede other legal requirements such as zoning, building, or subdivision ordinances. An undivided interest can be billed separate from the whole assessment (R&T Code §§2802 and 2811).

Bill separations may be used when the taxpayer, or any interested party, wants to pay a lien on the tax bill separately. The Auditor is not authorized by R&T Code §4801 et seq. to remove the direct charge via a roll correction. The bill must be separated in order to pay only the specific direct charge(s).

METHODOLOGY

The affidavit of interest and request are usually filed with the Tax Collector and must be made during the current **fiscal year**. Upon authorization of the Board of Supervisors, the county may charge a fee for actual costs incurred for this service. If it is a value separation, the county Assessor

determines a separate valuation on the parcel and determines the valuation of the remaining parcel. The Auditor computes the tax due and enters the segregated parcel on the current roll. The amount due on the remaining parcel is the difference between the entire amount due on the original parcel and the amount due on the parcel that was separately assessed.

A parcel may not be separately assessed into more than four parcels without a majority vote by the county's Board of Supervisors. Separate valuation shall not be made of any parcel covered by a subdivision map filed after the lien date immediately preceding the fiscal year (R&T Code §2823). Once created, a segregated parcel may be entered on subsequent property tax rolls until that parcel is sold or is recombined.

If the parcel that is being segregated has liens, the taxing agency placing a direct charge must certify which part(s) of the segregation receives their lien. This may require the Tax Collector or Auditor to further separate the line items on the bill.

Delinquent penalties and costs that have attached to the parcel are not forgiven and shall be prorated proportionately to the new, separate tax bills (R&T Code §2825).

BILL SEPARATION FOR LIEN REMOVALS

The bill separation process for lien removal is similar to value segregations, except that this function is separating the bill amounts, not values. The application is made to the Tax Collector who may direct the Auditor to perform the actual tax roll change, depending on the property tax system. The lien can then be removed from the original bill and a separate bill created for just the lien amount.

Delinquent penalties and costs that have attached to the parcel are not forgiven and shall be prorated proportionately to the new, separate tax bills (R&T Code §2825).

ACCOUNTING TREATMENT

See Part 1, Overview

RELATED TOPICS

Part 1, Overview

Part 8

TRANSFERS TO UNSECURED ROLL

INTRODUCTION

Certain **assessments** are, by law, entered on the **secured** roll, but when delinquent become subject to **unsecured** collection provisions. Secured penalties and costs charged while on the secured roll are still valid and become part of the tax to be collected when transferred to the unsecured roll.

MAIN TOPIC

Such assessments include the following:

- **Mobile homes**, floating homes, and related supplemental assessments.
- Structural **improvements** on leased land and other leasehold interests.
- **Possessory interest** in public lands and leasehold estates for gas, oil, and other hydrocarbon substances (R&T Code §107(b)).
- **Escape assessments** discovered after the **real property** has transferred ownership where the ownership change occurred after July 1 of the year being assessed (R&T Code §531.2).
- Possessory interest to which the **homeowners' exemption** applies on the secured roll (R&T Code §2190).
- Manufactured homes (R&T Code §5830(b)).
- **Real property** that has been sold before a correction causing an increase in taxation has been entered on the **roll** [R&T Code §4836.5 and §4831(b)].
- **Personal property** and fixtures assessed by the State **Board of Equalization** (optional per R&T Code §760).

METHODOLOGY

If taxes on these properties remain unpaid when delinquent taxes are **defaulted** on the secured roll, the tax, together with any penalties and costs which may have accrued while on the secured roll, shall be transferred to the unsecured roll and become subject to unsecured collection procedures.

Unpaid taxes, penalties, or costs on property purchased by a government agency shall not be transferred to the unsecured roll if the property has become subject to a power of sale pursuant to R&T Code §3691.

Real property taxes prior to foreclosure by the Small Business Administration should not be transferred to the unsecured roll (Garcia v. County of Santa Clara, 87 Cal. App. 3d319, 1978).

ACCOUNTING TREATMENT

See Part 1, Overview

RELATED TOPICS

Part 1, Overview

Part 9 DIRECT CHARGES

INTRODUCTION

A **direct charge** is a non-*ad valorem* amount levied on a per **parcel** basis which may encompass annual charges for services, improvement district charges, **special taxes** such as **community facilities district (Mello-Roos)**, **special assessments** such as **1915 Act Bonds**, and fees. Direct charges are usually levied by **special districts** or other taxing entities and provides a benefit directly to a property. Direct charges are included on the property tax bill of the benefited parcel. Examples of these types of direct charges are garbage collection, sewer, lights and landscaping maintenance, mosquito abatement, certain **improvements**, annual improvement bond amounts, a special tax authorized by the electorate and other such services/benefits. Direct charges are authorized under many state codes such as Streets and Highways, Government, Health and Safety, Water, Public Utilities, and others. Because these items are on the property tax bill, they are subject to **roll corrections**.

MAIN TOPIC

The basic purpose for billing direct charges with property taxes is to ensure payment for services or benefits provided to a parcel. Recourse for non-payment of an assessment varies based on the kind of assessment. Typically, a property secures the payment of a direct charge added to a tax bill since the property may be sold after five years if taxes and direct charges are unpaid. The district can opt to invoice direct charges directly to each parcel without involving the property tax billing process, but they lose the capability of having a property **lien** to secure payment.

Direct charges and taxes may be corrected by the Auditor only upon authorization from the district and under the provisions of **Proposition 218**. Government Code §51800 also allows for compensation to the county based on agreements between the district and the county.

METHODOLOGY

Corrections can be completed for the following reasons:

- a. If a direct charge or tax needs to be placed on a parcel after the regular property tax bills have been processed, an escape billing may be done, giving the taxpayer a specific 30 day delinquent date (see Escapes, Chapter 5).
- b. If a direct charge or tax needs to be removed or reduced from the property tax bill, a corrected bill may be issued with new 30-day delinquent dates.
- c. If a direct charge or tax must be removed or reduced after the property tax bill is in default, not only are new notification of taxes due and delinquent dates required, penalties and interest amounts must be recalculated if the account remains unpaid after the delinquent date. For those counties that have direct charges on the **Teeter Plan**, the county must recover the amount from the district that requested the reduction or removal.
- d. If a property tax bill must be canceled because the parcel is nontaxable (for example, a purchase by a **public entity**), the direct charges and/or taxes may be canceled based on local agreements. The districts may direct bill these nontaxable parcels. A direct bill is a

bill issued by a district and is not protected in the same manner as property tax bills.

ADDITIONAL CONSIDERATIONS

Counties have established their own policies on direct charges, including administrative cost recovery procedures, as well as when and if they allow additions or corrections to the property tax bill. If direct charges and taxes are escape billings, approval is needed from the Tax Collector for cutoff dates (R&T Code §4836.5). See exhibit 1-2 in Part 1.

ACCOUNTING TREATMENT

See Part 1, Overview and Special/Direct Assessments Chapter

RELATED TOPICS

Part 1, Overview

Part 10 REFUNDS

INTRODUCTION

Refunds are issued for a variety of reasons; **roll corrections** being just one of them. A correction to a paid tax bill or partially paid tax bill could result in a refund. A negative supplemental assessment could result in a refund.

MAIN TOPIC

Revenue & Taxation (R&T) Code §5096 et seq. explains the various types of refunds and appropriate action to be taken. R&T Code §5097.2 identifies refunds that may be issued by either the Auditor or Tax Collector. All other refunds are made after approval by the Board of Supervisors (R&T Code §§5096 and 5097), unless a resolution has been passed delegating authority of refund approvals. Refunds created as a result of a negative supplemental assessment follow stand-alone procedures dictated by R&T Code §75.43 (see Chapter C-6). Interest is paid on refunds as specified in R&T Code §§75.43(b), 5151 and 5153.

METHODOLOGY

First, determine that a correction is being made to a paid tax bill. The difference between the corrected tax liability and the taxes paid (on the same roll, year, and **parcel**) determines the refund amount. A refund cannot exceed the tax amount paid. The tax amount includes penalties, interest and cost (R&T Code §5107). The amount of penalties, interest or costs refundable shall be computed only on the taxes refunded (R&T Code §5106). Upon request from the Tax Collector, refunds may be applied to any delinquent taxes due on the same property for which the same taxpayer is liable (R&T Code §2635.5).

Refunds may be made only upon a verified claim filed by the person who paid the tax, his guardian, executor, or administrator (R&T Code §5097). However, R&T Code §5097.2 permits the Tax Collector or Auditor to refund within four years after the date of the payment without a claim being filed, under the following conditions:

1. The amount was paid more than once.
2. The amount paid exceeds the amount due on the property as shown on the roll.
3. The amount paid exceeds the amount due on the property as the result of corrections to the roll or cancellations ordered by the Board of Supervisors after such taxes were paid.
4. In any other case, where the claim for refund is made under penalty of perjury and is for an amount less than ten dollars (\$10).
5. The amount paid exceeds the amount due on the property as the result of a reduction attributable to a hearing before an **Assessment Appeals Board** or an Assessment Hearing Officer.

A claim for refund must generally be made within 4 years of the payment of the last installment (most recently paid installment). However, exceptions to the general 4-year rule exist for both

appeals and roll changes that are close to or exceed the general 4-year statute of limitations. These exceptions are codified in R&T Code §5097. These exceptions are outlined in the decision matrix on Exhibit 10-1.

A refund, as a result of a reduction in value, may be paid to the latest recorded owner of a property shown on the tax roll, rather than the person or entity that paid the tax if both of the following conditions are met (R&T Code §5104):

1. There has been no transfer of the property during or since the **fiscal year** for which the taxes subject to refund were levied, and
2. The amount of the refund is less than five thousand dollars (\$5,000).

For those counties that collect taxes according to R&T Code §2605, where all taxes on personal property are due with the first installment of the secured tax bill, a reduction in the personal property value may result in a partial refund of the first installment even if the second installment remains unpaid.

R&T Code §5151 sets criteria for the payment of interest on refunds. See Appendix item, "Calculation of Interest on Tax Refunds Uniform Guidelines for California Counties", prepared by the County Accounting Standards and Procedures Committee. In the Guidelines, note the details about changes to the law effective 1/1/97, specifying that interest of \$10 or more is to be paid on refunds made for "any reason whatsoever", except for the exclusions noted. Also, see Exhibit 4-1 in Part 4, for a quick reference chart to be used for calculating interest on various types of refunds.

If a supplemental assessment is a negative amount, the Auditor shall determine the amount of refund due the taxpayer. The refund shall be made within 90 days of the date of enrollment of the **negative assessment**. If the refund is not made within the 90 days following the negative enrollment, interest is to be paid at a rate provided by R&T Code §5151, computed from a date 30 days after the date of enrollment (see Exhibit 4-1 in Part 4). Refunds are limited to the amount by which the tax, penalty, or interest paid exceeds the amount of tax, penalty, or interest, which is lawfully due, and owing based upon the **new base year value** (R&T Code §75.43). The Auditor may automatically issue the refunds for negative assessments to the owner of record when generated without checking for paid status or claim for refund.

Disputed tax money may be impounded pursuant to Government Code §26906.1. If interest is to be paid on taxes refunded from an impound, the interest paid is calculated per R&T Code §5153.

ACCOUNTING TREATMENT

Chapter C-7, Part 1 - Overview

Additionally:

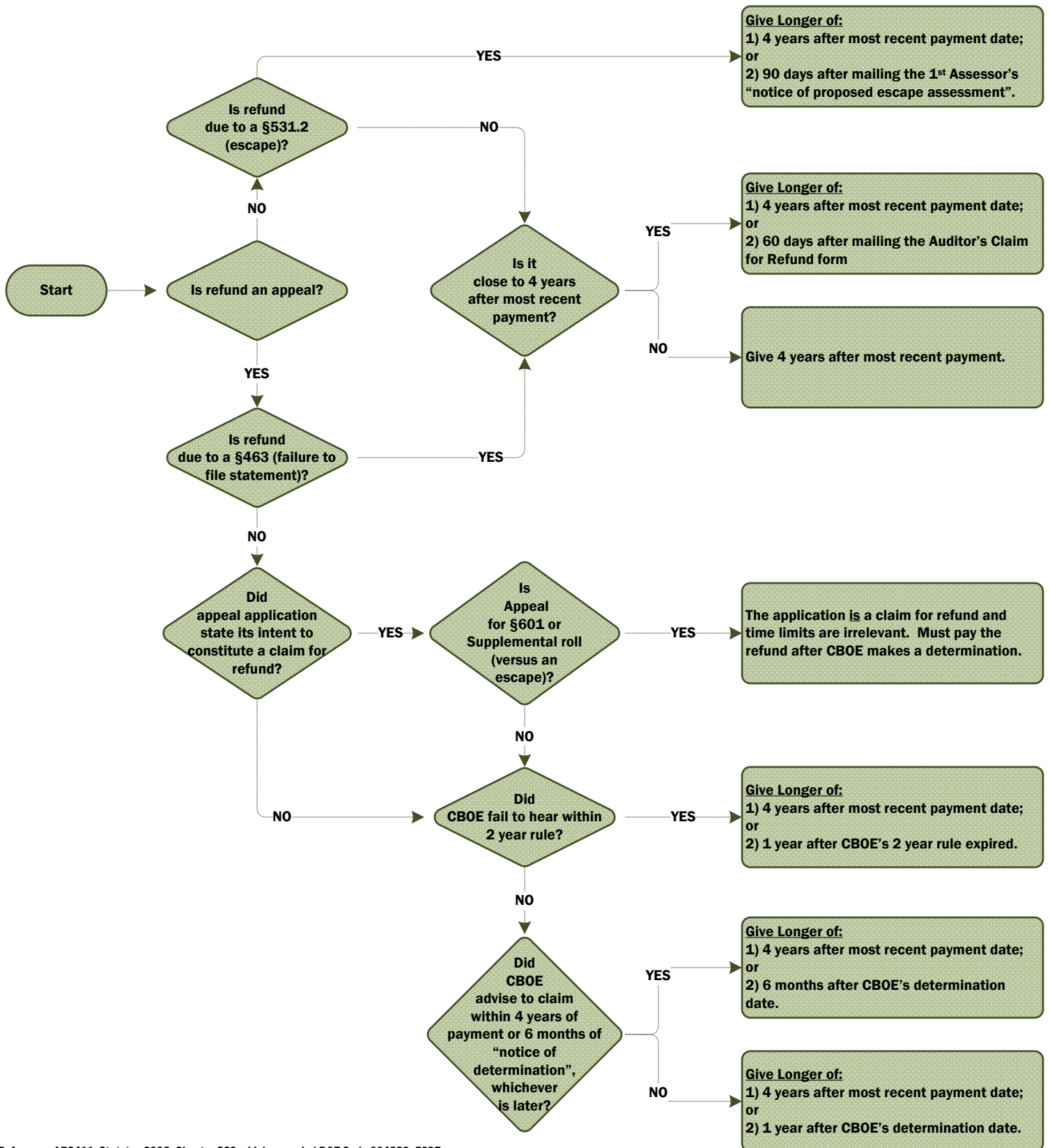
- Negative supplemental refunds shall be made from taxes collected on assessments paid on the **supplemental roll**.
- Refunds of prior year secured or unsecured taxes may be made from either prior year collections or current year collections.

RELATED TOPICS

Chapter C-7, Part 1 - Overview

Chapter C-6, Supplemental Roll Maintenance

Refund Claim Deadlines – Decision Matrix



Reference: AB2411, Statutes 2008, Chapter 329 which amended R&T Code §§4836, 5097, and 5151.
CBOE = County Board of Equalization or County Assessment Appeals Board

Exhibit 10 - 1

Part 11

RELIGIOUS AND WELFARE TAX EXEMPT ORGANIZATIONS

INTRODUCTION

In addition to **homeowner's exemptions**, religious and welfare organizations may qualify for an **exemption**.

MAIN TOPIC

Per Revenue & Taxation (R&T) Code §254 et seq., any person claiming a religious or welfare organization exemption shall submit to the Assessor annually between the **lien date** and 5 p.m. on February 15, an affidavit providing the required information. There is limited exemption to this requirement. Failure to meet this requirement will result in a reduced exemption amount.

R&T Code 75.21 and §270 et seq. identify the consequences for filing the affidavit late.

METHODOLOGY

To realize the full value of a religious or welfare organization exemption, the affidavit requesting the exemption must be filed with the Assessor annually between the lien date and 5:00 PM on February 15. Notwithstanding the provisions of subdivision R&T Code §255(a), any claimant who has been found ineligible for the religious exemption, may file an affidavit for a welfare exemption. Affidavits for the welfare exemption filed pursuant to this subdivision shall be filed within 15 days from the date of notification by the Assessor of the claimants' ineligibility for the church exemption or the religious exemption.

Any person who is granted a religious or welfare exemption pursuant to a claim filed in accordance with this section shall notify the Assessor by February 15 if the property becomes ineligible for the exemption.

The penalties for late filing are determined by the Assessor per R&T Code §270 et seq. The penalty is either 10% or 15% of any tax or penalty or interest with a maximum of \$250 in total for the claimant's exempted properties in any **assessment year**. Many assessors will adjust the **assessed values** to accommodate this rule and transmit the revised assessed values to the Auditor.

Similar adjustments apply to the tax bill for property acquired subsequent to the lien date and for organizations formed after the lien date. See R&T Code §271 for more detail. Refer to the flowchart in Exhibit 11-1 for the logic of how to determine the remaining tax liability for a tax exempt organization.

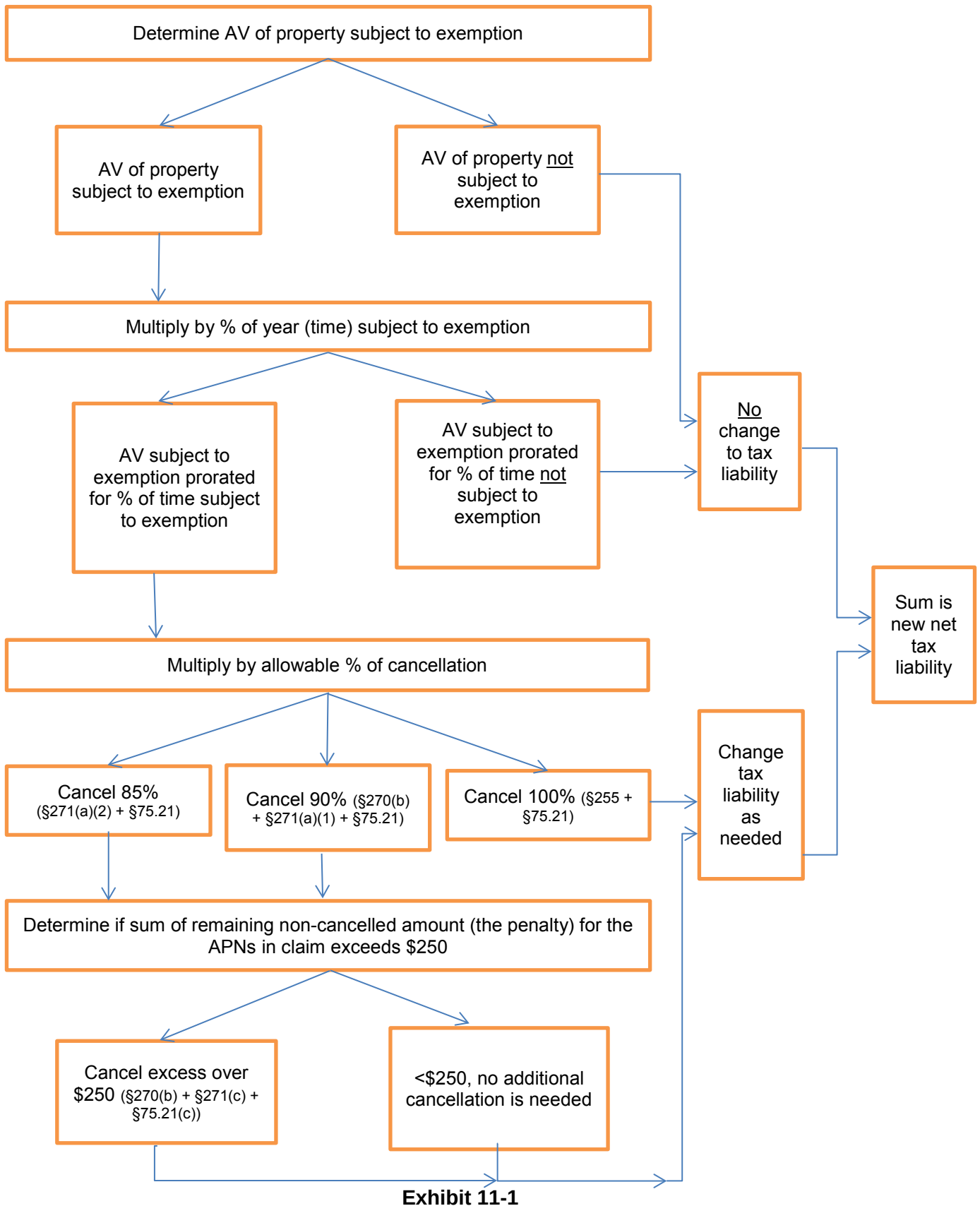
ACCOUNTING TREATMENT

See Part 1, Overview

RELATED TOPICS

Part 1, Overview

Religious and Welfare Tax Exempt Organization Flowchart to Determine Remaining Tax Liability



Part 12 CALAMITIES AND DISASTER RELIEF

INTRODUCTION

The purpose of this chapter is to provide guidance on calamities and disaster relief. A disaster can be a result of an earthquake, firestorm, winter storm, storm damage, wildfire or even terrorism. The courts define a disaster, misfortune or calamity as an out of the ordinary or unforeseeable, sudden event, or an unusual occurrence. Any damage that occurs gradually over time does not constitute a calamity.

MAIN TOPIC

Under Revenue & Taxation (R&T) Code §170, property taxes may be reduced following a disaster, misfortune, or calamity in those counties where the Board of Supervisors has adopted an ordinance authorizing the disaster relief. To receive the disaster relief, the property owner must file an application with the County Assessor within twelve months of the date of the disaster to initiate the reassessment. Disaster relief is provided by allowing the County Assessor, under specified conditions, to reassess the property after the **lien date** to recognize the loss in a property's **market value**. The prior **assessed value** of the damaged property is reduced in proportion to the loss in market value; the new reduced value is used to calculate a pro-rata reduction in taxes. The affected property retains its lower value, with reduced taxes, until it is restored, repaired, or reconstructed. Each lien date, the Assessor restores the property's value for the percentage of restoration, if any. Any restoration completed after the lien date is also assessable for the current year **roll** and can be processed on the **supplemental roll** (R&T Code §170(h)).

For the purpose of this manual, calamity refers to damages not declared by the Governor and disaster refers to damages declared by the Governor. The difference between the two is that the latter entitles property owners to defer installment payments. In either case, the owner of the damaged property for a calamity or a disaster is entitled to reassessment provided it meets the requirements of the various R&T Codes.

CALAMITY (Not proclaimed by the Governor)

If a calamity is the result of a misfortune not proclaimed by the Governor, R&T Code §170 states that property owners may be eligible for property tax relief and the Assessor may reappraise the property to reflect the damaged condition. Most California counties have adopted an ordinance to allow property tax relief to owners of destroyed property as provided under R&T Code §170. For counties that have not adopted tax relief ordinance pursuant to R&T Code §170, R&T Code §51(b) may still entitle property owners to the reduction in value on the destroyed property.

R&T Code §170 states that to qualify for property tax relief, a claim must be filed with the County Assessor within the time specified in your county ordinance, or within 12 months from the date of damage or destruction, whichever is later. The loss estimate must be at least 10% of fair market value or \$10,000, whichever is less. For all other property, the damage must be at least 20 percent of value (R&T Code §194(e) & (f)).

Per R&T Code §170(a), the misfortune should be without fault and have occurred within the preceding twelve months or within twelve months after the Governor's declaration, whichever is

later. Per R&T Code §170(d), if no application is made, the Assessor may, with the approval of the Board of Supervisors, reassess the property and notify the last known assessee with an application for reassessment, or revalue the property on the lien date. If the assessee disagrees with the Assessor's **valuation**, the assessee may appeal the proposed reassessment with the County **Assessment Appeals Board (AAB)** within six months of the notification from the Assessor per R&T Code §170(c). The AAB reviews any such appeals, and the decision of the AAB is final provided its decision regarding any reassessment does not presume the value of the affected property subsequent to the date of the damage.

The property will be reassessed according to its damaged state. The current property taxes will be reduced for that portion of the property damaged or destroyed. This reduction will be from the date of the damage (including the month in which the damage was incurred) (R&T Code §170(3)(e)(2)), and will remain in effect until the property is rebuilt or repaired. Per R&T Code §69.5(g)(13), property that sustains damage of more than 50% of its **full cash value** shall be considered "substantially damaged or destroyed".

R&T Code §70(a)(2)(c) states the destroyed property will retain its previous assessed value if it is rebuilt in a like or similar manner. Any reconstruction that is not substantially equivalent to the damaged or destroyed property shall be deemed to be **new construction** and only that portion that exceeds substantially equivalent reconstruction shall have a **new base year value** determined pursuant to R&T Code §110.1.

DISASTER (Proclaimed by the Governor)

If a calamity is the result of a Governor proclaimed misfortune, it is then referred to as a disaster. Disaster means a major misfortune or calamity in an area subsequently proclaimed by the Governor to be in a state of disaster as a result of the calamity (R&T Code §69(c)(3)). The Governor may proclaim a state of emergency under these three conditions or degrees of emergency (pursuant to Government Code (GC) §8625 and §8558)

- State of war emergency – whenever the state or nation is attacked by an enemy of the United States or receives a warning from the federal government indicating that enemy attack is probable or imminent.
- State of emergency – means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state. Some examples are:- earthquake, firestorms, storm damage, or flooding. A state of emergency can be the same as a Governor declared disaster, or it can be some level below that of a disaster (for clarification, refer to R&T Code §69).
- Local emergency - means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city.

In addition to the reduction in value outlined in R&T Code §170, property owners can request property tax relief in the form of installment payment deferral under R&T Code §194, if the criteria below are met:

1. The Governor has proclaimed the county to be in one of the states of emergency (listed above), and

2. The county has adopted an ordinance providing property tax relief for disaster victims pursuant to R&T Code §170, and
3. The property has sustained “substantial disaster damage.”

R&T Code §194(f) defines “substantial disaster damage” as real property or a manufactured home that has received or is eligible for the **homeowner’s exemption** as of the lien date where the damage is at least 10% of it’s fair market value or \$10,000, whichever is less, and where the damage is at least 20% of it’s fair market value with respect to other property, immediately preceding the disaster.

R&T Code §194(e) in conjunction with R&T Code §170, enables eligible owners to defer payment of the next installment (December 10th or April 10th, whichever date occurs first after the last date the eligible property was damaged) of taxes on property on the regular **secured roll** for the current **fiscal year**, as provided in R&T Code §194.1 or to defer payment of taxes on property on the supplemental roll for the current fiscal year, as provided in R&T Code §194.9. However, tax deferral does not apply to property taxes paid through impound accounts. Furthermore, R&T Code §4222.5 states that the Tax Collector of any county designated by the Governor to be in a state of emergency is eligible for tax relief and may defer installment payments for a period of one year.

R&T Code §69 and R&T Code §69.3 also authorize relief for taxpayers whose property has been damaged or destroyed by a major misfortune or calamity that caused the Governor to declare the area in which the property is located to be in a state of disaster. In general, these sections allow taxpayers to transfer the existing base year values of the damaged properties to qualifying replacement properties.

The state legislature may authorize disaster relief to taxing entities for a specific calamity event requiring submission of a claim by the county.

METHODOLOGY

The Assessor determines whether a calamity is enrolled on the secured and/or the supplemental roll.

R&T Code §170(e) says, “The **tax rate** fixed for property on the roll on which the property so reassessed appeared at the time of the misfortune or calamity, shall be applied to the amount of the reassessment as determined in accordance with this section and the assessee shall be liable for:

- (1) a prorated portion of the taxes that would have been due on the property for the current fiscal year had the misfortune or calamity not occurred, to be determined on the basis of the number of months in the current fiscal year prior to the misfortune or calamity; plus,
- (2) a proration of the tax due on the property as reassessed in its damaged or destroyed condition, to be determined on the basis of the number of months in the fiscal year after the damage or destruction, including the month in which the damage was incurred).

To determine the number of months the property has been damaged, count the month the damage occurred as month one. Then add the number of subsequent months until the fiscal year end. For example, if the calamity occurred between Dec 1st and Dec 31st, then the property has been damaged for seven months (Dec 20YY to June 20YY) (see below).

If Calamity occurs	Number of months to FYE	Prorate	Proration factor
Dec 1	Dec through June (7 Months)	$7 \div 12$	0.58
Dec 31	Dec through June (7 Months)	$7 \div 12$	0.58
June 30	June 1st to June 30th (1 Month)	$1 \div 12$	0.08

To determine the proration factor (column C), divide the number of months the property has been damaged (column B) by 12 (the total number of months in a year) or use the chart below.

Calamity occurred in this month:-	Number of months property was damaged	Proration factor (column B divide by 12 mths)
column A	column B	column C
July	12	1.00
Aug	11	0.92
Sept	10	0.83
Oct	9	0.75
Nov	8	0.67
Dec	7	0.58
Jan	6	0.50
Feb	5	0.42
March	4	0.33
April	3	0.25
May	2	0.17
June	1	0.08

An example of a revised tax liability calculated in accordance with R&T Code §170(e) is illustrated below for a calamity occurring December 15th that drops the value of a property from \$320,000 to \$84,000.

Pro rata value of property for the current fiscal year had the misfortune or calamity not occurred	42%*\$320,000	134,400
Pro rata value of property as reassessed in its damaged or destroyed condition	58%*\$84,000	48,720
		<u>183,120</u>
Apply basic tax rate plus voter approved indebtedness rate		1.23%
Revised taxes due		<u><u>\$2,252.38</u></u>

If the revised tax liability results in a refund, interest is due to an assessee only when the refund is not paid within 120 days of the Assessor authorizing the Auditor to make the reduction (see Exhibit 4-1 in Part 4).

The tax liability calculations due to supplemental events occurring prior to the calamity need to be revisited to insure accuracy.

A supplemental event is triggered when there is a subsequent sale of the destroyed property or when the property is not rebuilt in a like or similar manner (R&T Code §170(a)(2)(c)) and extinguishes the R&T Code §170 treatment as of the sale date. The sale of the property to the new owners triggers a supplemental event (R&T Code §170(a)(2)(c)). This event is handled like any other supplemental event.

Example: An elderly couple has owned a home on a prime piece of real estate for 50 years; land and improvements total \$300,000. Their home was totally destroyed by a fire on 1/15/XX. As a result, the value of the improvements dropped to zero and the value of the land remained at \$100,000. On 5/15/XX a young couple hoping to build their dream home buys the *parcel* from the elderly couple for \$500,000.

The sale at 5/15/XX would bill as of the first of the following month at the supplemental proration factor of 8% for the month of June. The sale at 5/15/XX would also bill for the following year at a 100% supplemental proration factor.

DISASTER RELIEF QUICK REFERENCE CHART

Revenue and Taxation Code	Property Type	Type of Relief Available	Type of Disaster
Section 70	Real property only	New construction exclusion	Any disaster or calamity
Section 170	All property types	New construction exclusion	Governor-proclaimed; Any disaster or calamity
Section 69	All property types	Base year transfer	Governor-proclaimed
Section 69.3	Principal place of residence	Base year transfer	Governor-proclaimed
Section 69.5	Principal place of residence —over 55 or physically disabled	Base year transfer	Any disaster or calamity
Sections 172 & 172.1	Manufactured home	Base year transfer	Governor-proclaimed
Section 5825	Manufactured home	New construction exclusion; Base year transfer	Any disaster or calamity
Section 194	Real property and manufactured homes	Property tax deferral	Governor-proclaimed

ACCOUNTING TREATMENT

See Part 1, Overview.

RELATED TOPICS

Part 1, Overview
Misc Subventions

Part 13 PUBLIC ACQUISITIONS

INTRODUCTION

Federal, State, and Local public entities may acquire property. This property may be exempt from taxation under Federal or State laws. Consequently, the Auditor may need to cancel a portion of the tax bill, transfer a portion of the tax bill to the **unsecured** roll, and/or refund a certain portion of the tax bill.

The laws for **Public Acquisitions** (PA) are established in Revenue and Taxation (R&T) Code Division 1, Part 9, Chapter 4, Article 5, commencing with Section 5081.

MAIN TOPIC

Under R&T Code §5081, exempt property is defined as:

- Property acquired by the United States that becomes exempt from taxation under the laws of the United States.
- Property acquired by the State, County, city, school district, or other **public entity** that becomes exempt from taxation under the laws of the State.

In determining whether the acquired property is tax exempt, most counties use a **Prima Facie** concept and rely on statements made by the acquiring public entity. Nevertheless, if in doubt, the Auditor and/or Assessor may explore the scenario further. Many public acquisitions are obvious such as:

- School district acquires property to build a school.
- City acquires donated developer land to build a park.
- Caltrans acquires a sliver of land to widen a road.
- Property acquired by CalHFA which is non-taxable under H&S Code §50954 (added in 1977) (Exhibit 13-1).

Other acquisitions may not be eligible:

- Certain property acquired which is outside the boundaries of the local public entity (**Section 11 Property** AKA “**Taxable Government-Owned Property**”) may not be eligible for tax exempt status until/if the local public entity annexes the territory to their boundaries. Consultation with the Assessor may be advisable if the acquired property appears to be outside the boundaries of the local public entity.
- Property donated/deeded by a private party but not “accepted” by the public entity doesn’t qualify for tax exempt status.
- Foreclosures by a public entity such as the Internal Revenue Service (IRS), Small Business Administration (SBA), or Federal Housing Agency (HUD) are not tax exempt. The priority of the county’s property tax **lien** on real property survives and can be enforced against the property after it is acquired by the SBA or IRS. Since it is not a **change of ownership** which empowers the county to transfer taxes to the unsecured roll, the property is still subject to sale for any delinquent taxes and the former assessee is not personally liable for the secured taxes. References include the following:
 - o IRS Code §6323(b)

- o U.S. Code Title 15, Chapter 14a, §646
 - o Exhibit 13-2 (BOE No. 2011-014 U.S. Dept of Housing & Urban Development)
 - o FHA Resource Center (Phone number 800-225-5342)
 - o R&T Code §2192.1
 - o United States v. California-Plywood, 527 F.2d 687 (9th Cir 1975)
 - o Garcia v. County of Santa Clara, 1st Appellate District Court of Appeal, December 1978.
- For public acquisitions due to a judge's order (e.g. Final Judgment of Forfeiture for a drug dealer whose property was seized by the IRS), read and fully comprehend the judge's order to determine if more than one possible outcome for the property is possible. For instance, the judge may order that the public entity Quit Claim the property to the mortgage holder for foreclosure on the loan if certain conditions exist. If this is the case, there may be no public benefit conveyed, and the Assessor may assess the person who has **possessory interest**. If there is more than one possible outcome for the judge's order, the Auditor is advised to pend the processing of the public acquisition until the final course of action of the judge's order is established, at which time, the Auditor can determine whether public acquisition processing is necessary.
 - **Not-For-Profit organizations** aren't eligible for treatment under public acquisition processing. However, they may be eligible for certain **exemptions** such as welfare exemption or religious exemption through the Assessor (See Part 11 of this Chapter). Similar organization names plus staff experience levels (both Auditor staff and Not-For-Profit organization staff) may cause confusion between public acquisition eligibility and exemption eligibility. For instance, at first glance, staff might presume that the Tahoe Conservancy (a State agency) and the American River Conservancy (a Not-For-Profit organization) are both the same type of organization eligible for the same type of treatment, when indeed, they are not.

Normally, title is taken by the public entity as **fee simple ownership**. While an **easement** acquired by a public entity may indeed be eligible for tax exemption, commonly there is little to no **assessed value** (AV) conveyed to the public entity. Thus, there are often no taxes that are cancelled as of the **date of apportionment** when an easement is acquired.

By the very nature of the exempt property definition, acquisitions that are planned but have not actually happened would not yet be eligible for treatment under 5081 et seq. The legislature's choice of using "past tense" phrasing in the definition (see R&T Code §5081) is logical, since there is no guarantee that a planned acquisition will culminate in an actual change of ownership. Thus, the Auditor may not take action until after the property has actually been acquired by the public entity. The Auditor has no duty to "pend" possible future public acquisitions and watch for whether they actually come to fruition. Note that there is no requirement for the Auditor to delay processing until the Assessor has picked up the change of ownership from the Recorder.

The public entity is required to notify both the Auditor and the Assessor of the acquisition (R&T Code §5082.1). Until this is done, the Auditor has no authority to make any changes to the year of acquisition's tax bill or any prior year tax bills. Also, the notice must come from the public entity rather than the prior owner. While these requirements are stated in R&T Code, the reasons may not be so obvious, but include:

- It may not be a PA (i.e. property donated by a private party but not "accepted" by the public entity).
- It may not be tax exempt (i.e. a SBA foreclosure).

Exhibit 6-2 in Part 6 shows a sample notification from the public entity (R&T Code §5082.1). The notification must contain four essential items, but no specific format is required:

1. A copy of the instrument evidencing the acquisition of property. A copy of the recorded document would be the most common instrument presented.
2. The date of apportionment, which is determined by the public entity, is the earliest of the following three dates (R&T Code §5082):
 - a. The date of conveyance to the acquiring entity or the final order of condemnation is recorded. This is the most commonly used date.
 - b. The date of actual possession by the acquiring entity.
 - c. The date upon or after which the acquiring entity may take possession as authorized by an order for possession or by a declaration of taking.
 - d. Note that while not mentioned in R&T Code §5082, CCP Code §1260.250 allows for one additional potential date (the date of trial) in the case of ***Eminent Domain***.
3. Request the Auditor to cancel taxes for the remaining portion of the ***fiscal year*** after the date of apportionment.
4. Provide a map of the property acquired.

While not stated, the law implies that the reason for sending this information to the Assessor is to notify the Assessor of the tax-exempt status for subsequent ***601 Rolls*** (following the acquisition year). Note that there is no authority to in R&T Code §5081 et seq. to adjust the year of acquisition's assessed value unless the taxes for certain types of acquisitions are unknown (R&T Code §5086(c)). Thus, the Assessor and Auditor will make neither ***assessment roll corrections*** (to the 601 Roll) nor ***supplemental assessments*** to the public entity for the year of acquisition or the years prior to acquisition. See Exhibit 13-3 for detailed analysis. There is one exception in R&T 5086(c) that is discussed later. Instead, the Auditor will make a cancellation of taxes for a portion of the year of acquisition. It should be noted that some county's legacy systems might have problems processing with 100% compliance to the law. If the property is returned in the future to private ownership, the Assessor will appropriately pick up the change of ownership on the ***supplemental roll***.

Although the law doesn't require the public entity to tell the Auditor the following, it is a necessary piece of information for the Auditor to have and clarification may be necessary.

- Whether the public entity acquired the entire property or a portion of the property. It is a necessary piece of information for the Auditor to calculate the changes to the tax liability. This is commonly referred to as a "partial take" versus a "full take". A partial take could occur in different forms:
 - o Taking a sliver of land to widen a road;
 - o Taking of the entire land without the improvement;
 - o Taking of the entire improvement without the land.
- Whether the public entity acquired fee simple ownership or easement interest, it is a piece of information necessary for the Auditor to determine if the Assessor needs to be consulted for the assessed value conveyed to the public entity as in the case of an easement interest.

At times, a public entity may not submit a request to cancel taxes for property they acquired. If so, perhaps the property didn't become exempt, and there is no reason for the public entity to request cancellation of taxes. However, the public entity may not have submitted a request to cancel taxes due to oversight. Because of this, some counties take a "proactive" approach of checking into each possible public acquisition (Exhibit 6-1 in Part 6). Keep in mind that State Law doesn't require the Auditor to be proactive; the burden of action is a mandatory duty on the acquiring public entity if they are tax exempt (R&T Code §5082.1).

Ideally, the public entity should notify the Auditor/Assessor immediately after the acquisition of the tax-exempt property. Then, the Auditor is working with the current fiscal year only and the Assessor is working with the future fiscal years only. Yet, some public entities don't submit the required information until years later. Common events that trigger the public entity to finally take action include:

- The public entity continuing to get tax bills.
- The property is scheduled for a Tax Collector's **Tax Sale**.
- The prior owner complains about not receiving a refund for taxes paid for the time period owned by the public entity.
- The public entity never recorded the grant deed and the prior owner complains about continuing to get bills.

METHODOLOGY

The first step is to determine the assessed value of the property acquired by the public entity. Neither the Assessor nor the Auditor changes the assessed value (on the 601 Roll) for the year of or the years prior to the year of acquisition (one exception in R&T Code 5086(c) is discussed later). However, the assessed value is necessary to calculate the changes to the tax liability on the **Auditor's Roll** for the year of acquisition. The Assessor may need to provide the Auditor with assessed value information when the following scenarios exist:

- The public acquisition is a "partial take".
- The public entity acquired an easement interest.
- The **parcel number (APN)** of the property acquired is unclear, based on documents presented to the Auditor, and further clarification is needed.
- The assessed value of the property acquired is unclear, based on documents presented to the Auditor, and further clarification is needed.
- The property has a supplemental event due to a change of ownership or a completion of **new construction** during the year of acquisition, but prior to the public acquisition.
- The property has changed configuration during the year of acquisition (since the **Lien Date**) that is unrelated to the public acquisition (e.g. split/combines).

The next step is to prorate the taxes as of the date of apportionment for the year of acquisition. Exhibits 13-4 through 13-7 demonstrate the calculations necessary for both full and partial takes where taxes are both paid and unpaid.

The end result is that all tax bills will be broken into one of the three following basic categories.

1. **Taxes prior to the date of apportionment:** Do not cancel any taxes or **fixed charges** that exist prior to the date of apportionment, including any unpaid prior year taxes that constitute a lien at the time of acquisition (R&T Code §5083 and §5084). This includes any penalties and cost. The non-cancelled portion of any bill(s) is required to be paid through escrow (R&T Code §5084 and §5086).

However, State Law additionally provides that if these tax bills are unpaid for any reason, they are to be transferred to the unsecured roll as long as the property isn't subject to Tax Sale (R&T Code §5084, §5086, §5088). Any amounts transferred to the unsecured roll may be in either the name of the prior owner OR (not "and") the public entity (R&T Code §5084, §5087, §5088, and §5090). Many counties use the public entity's name on the unsecured roll by reason of the deep-pocket theory and the public entity's duty to ensure

payment at the time of escrow. The Auditor may not put unpaid amounts in the name of the Federal government (or its agencies, since the Federal government “trumps” State Law. The public entity may recoup any appropriate paid taxes from the prior owner (R&T Code §5090).

Taxes of less than \$20 may be cancelled (R&T Code §5089).

2. Taxes from the date of apportionment through the end of the fiscal year: All taxes (including penalties) and some fixed charges, as of the date of apportionment through the end of the fiscal year of acquisition, are cancelled (R&T Code §5083; §5086, §5086.1). No changes are made to AV on the assessment roll except as shown in the next paragraph.

Special processes exist if the year of acquisition taxes are not known for public acquisitions acquired by negotiated purchase, gift, devise, or eminent domain (for instance, the Apportionment Date is July 15 and the public entity asked for public acquisition processing on July 17 before the bills were available) (R&T Code §5086(c)). In this scenario, taxes attributable to the fiscal year prior to the date of apportionment shall be calculated by the Auditor on a pro rata basis of the previous year's taxes. This formula is tweaked slightly if the acquisition is due to eminent domain (CCP Code §1260.250(b)(3) et seq.). The Auditor will additionally adjust the assessment roll (AV) and the tax charge accordingly, and the public entity will pay the Tax Collector.

Fixed charges may or may not be cancelled depending on their nature. The general rule is that fixed charges are cancelled in the same manner as taxes. However, specific statutory schemes result in separate treatment for certain types of fixed charges. See Exhibit 13-8 for decision tree to determine whether fixed charges follow **ad valorem** taxes for cancellation. This decision tree takes into consideration the following:

- o R&T Code Part 9 (Corrections, Cancellations, and Refunds) has a definition of “taxes” as found in R&T Code §4801 for all of Part 9 which says, “*as used in this part, ‘taxes’ includes assessments collected at the same time and in the same manner as county taxes.*” R&T Code §4801 dates back to 1939 in its current version. Note that this section predates **Proposition 13** which opened the door for “special taxes” in GC§50075 in 1979. The state legislature didn’t rewrite the entire R&T Code, and just lumped special taxes in with assessments.
- o Article 5 (R&T Code §5081-5091) was added to Part 9 effective 1/1/1980 and covers the “cancellation of taxes on exempt property” (PAs). Article 5 uses the word “taxes”, without offering an alternate definition as found in R&T Code §4801. Thus, fixed charges generally follow the ad valorem taxes and are cancelled in the same manner as the ad valorem taxes.
- o In addition, property acquired by CalHFA is specifically excluded from paying any tax and assessment (H&S Code §50954 added by Statutes of 1977).
- o However, **Mello-Roos (Community Facilities District (CFD))** Act of 1982) special taxes have specific requirements which are initially dependent upon the public agency’s intent in regards to the property, actual use of the property or the property’s location (GC §53317(f)). Further requirements involve the manner by which the public acquisition took place. If it was through negotiated transaction, gift or devise (will), the tax is not cancelled (GC §53317.3). If it was through eminent domain the special tax must be prorated pursuant to the Code of Civil Procedure §1265.25 (GC §53317.5).
- o In addition, the passage of **Proposition 218** established new criteria for the exemption of public entities for certain types of fixed charges. Prop. 218 added the following to Article XIID of the State Constitution in reference to new assessments (not special taxes approved by $\frac{2}{3}$ of the registered voters) created or increased for the 1997/98 roll year or thereafter:
 - “*Parcels within a district that are owned or used by any agency, the State of California or the United States shall not be exempt from assessment unless*

the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.”

- Following the passage of Proposition 218, the state legislature passed the “Proposition 218 Omnibus Implementation Act” which codified Government Code §53752. Government Code §53752 requires the State Department of General Service (DGS) to develop compliance standards in the State Administrative Manual (SAM) regarding State responsibilities pursuant to Proposition 218. The SAM requires State Agency property owners to:
 - Pay post Prop. 218 assessments.
 - Not pay pre-Prop. 218 assessments presuming they weren’t increased for the 1997/98 roll year or thereafter (grandfathered in).
 - Not pay special taxes (this is a default conclusion because the SAM limited it’s discussion to paying only post-Prop. 218 assessments that also concurs with the R&T Code §4801 definition.

The date of apportionment is key to the processing of the public acquisition. If the date of apportionment is October 6, then taxes are cancelled October 6 through June 30 (R&T Code §5086.1), which is 268 days of 365 days in a non leap year (and 269 of 366 days in a leap year). The requirements of the law may disagree with some title companies who would customarily process a proration of taxes as 7/1-10/6 and 10/7-6/30 with 180 days in each half of the year with a 360 day year basis.

3. Subsequent years’ taxes: The Assessor is responsible for the appropriate assessment of any years subsequent to the year of acquisition. If the public entity doesn’t submit the required items listed in R&T Code §5082.1 timely, then the Assessor may need to process one or more back years of roll corrections and transmit them to the Auditor. These roll corrections will be only for years subsequent to the year of public acquisition (R&T Code §5085 and §5086).

If the property is returned in the future to private ownership, the Assessor will appropriately pick up the change of ownership on the supplemental roll.

Any refunds necessary must be paid to the person who paid the tax since the ownership has changed (R&T Code §5104). Interest must be paid from the date of recordation of the deed even if that isn’t the date of apportionment (R&T Code §5151(c)(2)). Refer to Exhibit 4-1 in Part 4 for a quick reference chart of how to calculate such interest. While state law requires certain information for a refund, it doesn’t require a specific format. So, if the public entity provides your office the required information, you really can’t require them fill out a form in your format.

ADDITIONAL CONSIDERATIONS

While not affecting the Auditor, the public entity is required to provide notice of the proposed public acquisition. This notice must be sent shortly following the public entity’s budgeting of funds for the proposed public acquisition. The notice must include the approximate extent and the estimated completion time of all public acquisitions necessary for the proposed project. The notice is sent to Tax Collector and any public entities whose taxes or fixed charges are not collected by the Tax Collector, but who at the time, exercise the right of assessment and taxation (R&T Code §5091).

Although no reference is made to R&T Code §5081 et seq., the following somewhat similar situations can cause a cancellation of taxes.

- **Judicial Foreclosures**: R&T Code §4986.3 allows for the cancellation of taxes, upon proof, where the property was acquired by a public entity after the lien date due to the public entity’s foreclosure proceedings under the **1915 Act Bonds** or the **Mello-Roos**

District Bonds. If the property is already subject to Tax Collector's sales, see the annotations in R&T Code §3712 for 'deeds for two agencies'.

- Property of deceased person distributed/**escheated** to the State: In certain circumstances, R&T Code §4986.5 and §4986.6 allows for the cancellation of taxes where the property transfers or escheats to the State when a decedent's heirs are unknown or the known heirs have unknown whereabouts.
- Property deeded to the Veterans' Welfare Board: In certain circumstances, R&T Code §4986.4 allows for the cancellation of taxes.

An additional cross-reference includes R&T Code §4986(a).

RELATED TOPICS

Chapter C-7 Tax Roll Changes

Part 6: Cancellations

Part 8: Roll Maintenance – Transfer to Unsecured Roll

Part 11: Religious and Welfare Tax Exempt Organizations

Chapter B-9 Bond Administration



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942873, SACRAMENTO, CALIFORNIA 94279-0064
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BETTY T. YEE
First District, San Francisco
BILL LEONARD
Second District, Ontario/Sacramento
MICHELLE STEEL
Third District, Rolling Hills Estates
JUDY CHU, Ph.D.
Fourth District, Los Angeles
JOHN CHIANG
State Controller
RAMON J. HIRSH
Executive Director

February 25, 2008

TO COUNTY ASSESSORS:

No. 2008/017

CALIFORNIA HOUSING FINANCE AGENCY

Due to the recent rise in the number of foreclosures, the California Housing Finance Agency (CalHFA) has had a corresponding increase in homes coming under its ownership. As such, the question has arisen of whether such property held by CalHFA as a result of deed foreclosure proceedings is tax exempt. For the reasons that follow, CalHFA-owned property is exempt from property taxation.

Subdivision (a) of section 3, article XIII of the California Constitution exempts property owned by the state. CalHFA is a public instrumentality and a political subdivision of the state as evidenced by section 50900 of the Health and Safety Code.

In addition, section 50954 of the Health and Safety Code states in relevant part:

The exercise of the powers specified in this division will be in all respects for the benefit of the people of the state, for their well-being and prosperity, and for the improvement of their social and economic conditions, and the agency shall not be required to pay any tax or assessment on any property owned by the agency under the provisions of this division or upon the income therefrom....

Accordingly, property owned or received as a result of deed foreclosure proceedings by CalHFA is exempt from property taxation under current constitutional and statutory authorities.

If you have any questions regarding this exemption, please contact our County-Assessed Properties Division at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:dy

Exhibit 13-1



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
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April 14, 2011

BETTY T. YEE
First District, San Francisco
SEN. GEORGE RUNNER (RET.)
Second District, Lancaster
MICHELLE STEEL
Third District, Rolling Hills Estates
JEROME E. HORTON
Fourth District, Los Angeles
JOHN CHIANG
State Controller
KRISTINE CAZADO
Interim Executive Director

No. 2011/014

TO COUNTY ASSESSORS:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Questions have arisen whether real property acquired by the U.S. Department of Housing and Urban Development (HUD) is exempt from property taxes under section 3 of article XIII of the California Constitution. Sections 3(a) and (b) provide that real property owned by the State of California or a local government is exempt from property taxes, except, in some instances, real property owned by a local government and located outside its boundaries.¹ Generally, property owned by the United States is exempt under federal law, not state law.

Under the Supremacy Clause of the United States Constitution, a state cannot tax federal property within its boundaries unless Congress explicitly consents to taxation.² Consistent with this clause, section 1 of article XIII of the California Constitution and Revenue and Taxation Code section 201 provide that all property in California, not exempt under the laws of the United States or California, is subject to taxation. Thus, the general rule is that property owned by the United States is exempt from property taxation. However, Congress has set forth specific limited exceptions to this general rule. One of these exceptions is contained in federal statute, 12 U.S.C. section 1714. Under this section, HUD is expressly not exempt from real property taxes.

Since real property owned by HUD is subject to property tax, real property owned in California will be subject to the provisions of article XIII A. In other words, if the acquisition of real property by HUD is considered a change in ownership, the property is reassessed to current market value as of the date of acquisition, a new base year value established, and appropriate supplemental assessment(s) issued.

If HUD obtains the real property through repossession or foreclosure, HUD will continue to pay the local property tax bills on those properties. Under Property Tax Rule 462.120, a change in ownership will not occur until after the period of redemption has passed and the property has not been redeemed or the property is sold at a trustee's sale and the right of possession vests in the purchaser.

¹ Article XIII, section 11.

² U.S. Constitution, article VI.

Exhibit 13-2, page 1 of 2

TO COUNTY ASSESSORS

2

April 14, 2011

Even though real property owned by HUD is subject to property taxes, HUD remains exempt from personal property taxes under the Supremacy Clause of the U.S. Constitution because Congress has not explicitly waived its sovereign immunity.

If you have any questions regarding these issues, please contact our Assessment Services Unit at 916-274-3350.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs

Exhibit 13-2, page 2 of 2

ANALYSIS: Why not do an ARC and/or Supplementals to handle PAs for the Year of Acquisition or Years Prior to Acquisition?

- No changes to AV:
 - PAs are covered by Article 5 (commencing with R&T Code §5081) which falls within Part 9 (Corrections, Cancellations, and Refunds). Throughout Part 9, changes to AV are recurrently discussed, but not in Article 5.
 - Specifically, Article 5 provides authority to only cancel taxes as of the date of apportionment through the end of the fiscal year for the year of acquisition. There is no discussion of AV in any form or manner except in one specific situation as discussed in R&T Code §5086(c).
 - Look at the index/table of contents for R&T Part 9 - Corrections, Cancellations, and Refunds. Then go to Chapter 4 Cancellations.
 - Article 1 Generally.
 - Article 1.5 Cancellation of assessments on state assessed property.
 - Article 2 Cancellation of assessments on public lands on application of state lands commission.
 - Article 3 Cancellation of assessments on public lands on application of property owner.
 - Article 4 Cancellation of tax liens on any 16th or 36th section or legal subdivision thereof.
 - Article 5 Cancellation of taxes on exempt property.

State legislature could have said "cancellation of assessments on exempt property" if they had intended such, but they were very specific and said "taxes". As used here, "assessments" refers to "assessed value", not "special assessments".

- No ARCs:
 - The AV as of the lien date isn't in question. Thus, no ARC is necessary.
 - ARCs won't accomplish the required outcome, because ARCs cover the entire year of acquisition. But taxes are cancelled for only part of the year of acquisition.
 - There is no cancellation of taxes or AV for the years prior to the year of acquisition (R&T Code §5084 and §5085).
- No Supplementals:
 - The treatment for PAs is found in R&T Code §5081 et seq. (Article 5). Article 5 was added effective 1/1/1980. Article 5 predates Supplemental law (R&T Code §75 et seq.) which was effective for 1983/84. The state legislature had every opportunity to provide for a change in PA processing at that time and subsequently by amending Article 5 and/or by putting additional special processes in place in the Supplemental law.
 - R&T Code §75 says, "...The Legislature finds and declares that the supplemental assessment system created by this chapter involves practical tax administration considerations which require unique solutions. Except as expressly provided in Article 2.5 (commencing with Section 75.18), these solutions are not appropriate to the general assessment of property under the provisions of Chapter 3 (commencing with Section 401) of Part 2 and the adoption of the supplemental roll assessment system is not intended to affect the valuation or assessment provisions applicable to the regular assessment roll."
 - There is no discussion of publicly owned property in R&T Code §75 et seq. There is, however, discussion for exemptions for qualifying organizations such as churches (R&T Code §75.20 et seq.).
 - Supplementals won't accomplish the required outcome, because supplementals have a presumed date of the first day of the month following the change in ownership. But R&T Code §5081 et seq. says to cancel the taxes as of the date of apportionment through the end of the fiscal year. In addition, the change of ownership date required for Supplementals may not be same as the apportionment date required for PAs.

Exhibit 13-3

**PUBLIC ACQUISITION - CANCELLATION OF PROPERTY TAXES CALCULATION FORM
FULL TAKE WHERE TAXES ARE PAID**

GENERAL INFORMATION			
Processing Date:	11/22/10		
APN	111-010-15-100		
TRA	100-015		
Tax Class	10100		
Tax Rate	1.0555%		
Date of Apportionment per Public Entity	10/6/2010		
# of days and % of days NOT cancelled	97	26.57534%	
# of days and % of days cancelled	268	73.42466%	
Supplemental Billings Involved?	NO		

ASSESSED VALUE INFORMATION			
	AV of APN for FY	AV of prop kept in private ownership	AV of prop acquired by public agency
LAND	500,000	-	500,000
IMPROVEMENT		-	
OTHER		-	
EXEMPTIONS		-	
TOTAL	500,000	-	500,000
Original Tax Liability	5,277.50	-	5,277.50

AD VALOREM TAX LIABILITY CALCULATION (R&T §5083/5086)								
	Date Paid 1st	Date Paid 2nd	Total orig bill	Property kept by Private Owner	Acquired Property liability	Acquired Property Cancelled	Acquired Property Total	
%				0.00000%	26.57534%	73.42466%	100.00000%	
Tax Liability \$			5,277.50	-	1,402.51	3,874.99	5,277.50	
Paid	11/3/10		2,638.75	0.00	2,638.75			
Unpaid				0.00	0.00			
Refund Calculated				0.00	(1,236.24)			
Tax Liability Calculated				0.00	0.00			
Apply any partial take remaining refund to credit of private owner's liability				0.00				
Add any partial take remaining tax liability to add to private owner's liability				0.00				
Remaining Tax Liability/(Refund)				0.00	(1,236.24)			

DIRECT CHARGES LIABILITY CALCULATION								
Direct Charge	Exempt?	paid \$	unpaid \$	total levied	Private Liability Remaining	Acquired Liability Remaining	acquired Liability cancelled	Remaining Tax Liability or (Refund)
Library Voter Approved Special Tax	YES	12.50	12.50	25.00	-	6.64	18.36	(5.86)
Ambulance Voter Approved Special Tax	YES	25.00	25.00	50.00	-	13.29	36.71	(11.71)
Post-Prop 218 Fire Suppression Fee	NO	87.50	87.50	175.00	175.00	-	-	87.50
Pre-Prop 218 Solid Waste Benefit Assessment	YES	7.50	7.50	15.00	-	3.99	11.01	(3.51)
Remaining Tax Liability/(Refund)		132.50	132.50	265.00	175.00	23.92	66.08	66.42

Blue = Input
Yellow = Output

Exhibit 13-4

**PUBLIC ACQUISITION - CANCELLATION OF PROPERTY TAXES CALCULATION FORM
LESS THAN 100% ACQUISITION - WHERE TAXES ARE PAID**

<u>GENERAL INFORMATION</u>			
Processing Date:	11/22/10		
APN	111-010-15-100		
TRA	100-015		
Tax Class	10100		
Tax Rate	1.0555%		
Date of Apportionment per Public Entity	10/6/2010		
# of days and % of days NOT cancelled	97	26.57534%	
# of days and % of days cancelled	268	73.42466%	
Supplemental Billings Involved?	NO		

<u>ASSESSED VALUE INFORMATION</u>			
	AV of APN for FY	AV of prop kept in private ownership	AV of prop acquired by public agency
LAND	500,000	450,000	50,000
IMPROVEMENT		-	
OTHER		-	
EXEMPTIONS		-	
TOTAL	500,000	450,000	50,000
Original Tax Liability	5,277.50	4,749.75	527.75

<u>AD VALOREM TAX LIABILITY CALCULATION (R&T §5083/5086)</u>							
	Date Paid 1st	Date Paid 2nd	Total orig bill	Property kept by Private Owner	Acquired Property liability	Acquired Property Cancelled	Acquired Property Total
%				90.00000%	26.57534%	73.42466%	100.00000%
Tax Liability \$			5,277.50	4,749.75	140.25	387.50	527.75
Paid	11/3/10		2,638.75	2,374.88	263.88		
Unpaid				0.00	0.00		
Refund Calculated				0.00	(123.63)		
Tax Liability Calculated				2,374.88	0.00		
Apply any partial take remaining refund to credit of private owner's liability				(123.63)			
Add any partial take remaining tax liability to add to private owner's liability				0.00			
Remaining Tax Liability/(Refund)				2,251.25	0.00		

<u>DIRECT CHARGES LIABILITY CALCULATION (R&T §4801)</u>							
	Exempt?	paid \$	unpaid \$	total levied	Private Liability Remaining	Acquired Liability Remaining	acquired Liability cancelled
Direct Charge					100.00000%	26.57534%	73.42466%
Library Voter Approved Special Tax	YES	12.50	12.50	25.00	25.00	-	-
Ambulance Voter Approved Special Tax	YES	25.00	25.00	50.00	50.00	-	-
Post-Prop 218 Fire Suppression Fee	NO	87.50	87.50	175.00	175.00	-	-
Pre-Prop 218 Solid Waste Benefit Assesment	YES	7.50	7.50	15.00	15.00	-	-
Remaining Tax Liability/(Refund)		132.50	132.50	265.00	265.00	-	-

Blue = Input
Yellow = Output

Exhibit 13-5

PUBLIC ACQUISITION - CANCELLATION OF PROPERTY TAXES CALCULATION FORM
100% ACQUISITION - WHERE TAXES REMAIN UNPAID

<u>GENERAL INFORMATION</u>			
Processing Date:	11/22/10		
APN	111-010-15-100		
TRA	100-015		
Tax Class	10100		
Tax Rate	1.0555%		
Date of Apportionment per Public Entity	10/6/2010		
# of days and % of days NOT cancelled	97	26.57534%	
# of days and % of days cancelled	268	73.42466%	
Supplemental Billings Involved?	NO		

<u>ASSESSED VALUE INFORMATION</u>			
	AV of APN for FY	AV of prop kept in private ownership	AV of prop acquired by public agency
LAND	500,000	-	500,000
IMPROVEMENT		-	
OTHER		-	
EXEMPTIONS		-	
TOTAL	500,000	-	500,000
Original Tax Liability	5,277.50	-	5,277.50

<u>AD VALOREM TAX LIABILITY CALCULATION (R&T §5083/5086)</u>							
	Date Paid 1st	Date Paid 2nd	Total orig bill	Property kept by Private Owner	Acquired Property liability	Acquired Property Cancelled	Acquired Property Total
%				0.00000%	26.57534%	73.42466%	100.00000%
Tax Liability \$			5,277.50	-	1,402.51	3,874.99	5,277.50
Paid				0.00	0.00		
Unpaid				0.00	0.00		
Refund Calculated				0.00	0.00		
Tax Liability Calculated				0.00	1,402.51		
Apply any partial take remaining refund to credit of private owner's liability				0.00			
Add any partial take remaining tax liability to add to private owner's liability				0.00			
Remaining Tax Liability/(Refund)				0.00	1,402.51		

DIRECT CHARGES LIABILITY CALCULATION (R&T §4801)								
					Private Liability Remaining	Acquired Liability Remaining	acquired Liability cancelled	Remaining Tax Liability or (Refund)
Direct Charge	Exempt?	paid \$	unpaid \$	total levied	0.00000%	26.57534%	73.42466%	
Library Voter Approved Special Tax	YES	-	25.00	25.00	-	6.64	18.36	6.64
Ambulance Voter Approved Special Tax	YES	-	50.00	50.00	-	13.29	36.71	13.29
Post-Prop 218 Fire Suppression Fee	NO	-	175.00	175.00	175.00	-	-	175.00
Pre-Prop 218 Solid Waste Benefit Assesment	YES	-	15.00	15.00	-	3.99	11.01	3.99
Remaining Tax Liability/(Refund)		-	265.00	265.00	175.00	23.92	66.08	198.92

Blue = Input
Yellow = Output

EXHIBIT 12

**PUBLIC ACQUISITION - CANCELLATION OF PROPERTY TAXES CALCULATION FORM
LESS THAN 100% ACQUISITION - WHERE TAXES REMAIN UNPAID**

<u>GENERAL INFORMATION</u>			
Processing Date:	11/22/10		
APN	111-010-15-100		
TRA	100-015		
Tax Class	10100		
Tax Rate	1.0555%		
Date of Apportionment per Public Entity	10/6/2010		
# of days and % of days NOT cancelled	97	26.57534%	
# of days and % of days cancelled	268	73.42466%	
Supplemental Billings Involved?	NO		

<u>ASSESSED VALUE INFORMATION</u>			
	AV of APN for FY	AV of prop kept in private ownership	AV of prop acquired by public agency
LAND	500,000	450,000	50,000
IMPROVEMENT		-	
OTHER		-	
EXEMPTIONS		-	
TOTAL	500,000	450,000	50,000
Original Tax Liability	5,277.50	4,749.75	527.75

<u>AD VALOREM TAX LIABILITY CALCULATION (R&T §5083/5086)</u>							
	Date Paid 1st	Date Paid 2nd	Total orig bill	Property kept by Private Owner	Acquired Property liability	Acquired Property Cancelled	Acquired Property Total
%				90.00000%	26.57534%	73.42466%	100.00000%
Tax Liability \$			5,277.50	4,749.75	140.25	387.50	527.75
Paid				0.00	0.00		
Unpaid				0.00	0.00		
Refund Calculated				0.00	0.00		
Tax Liability Calculated				4,749.75	140.25		
Apply any partial take remaining refund to credit of private owner's liability				0.00			
Add any partial take remaining tax liability to add to private owner's liability				140.25			
Remaining Tax Liability/(Refund)				4,890.00	0.00		

<u>DIRECT CHARGES LIABILITY CALCULATION (R&T §4801)</u>							
Direct Charge	Exempt?	paid \$	unpaid \$	total levied	Private Liability Remaining	Acquired Liability Remaining	acquired Liability cancelled
Library Voter Approved Special Tax	YES	-	25.00	25.00	25.00	-	-
Ambulance Voter Approved Special Tax	YES	-	50.00	50.00	50.00	-	-
Post-Prop 218 Fire Suppression Fee	NO	-	175.00	175.00	175.00	-	-
Pre-Prop 218 Solid Waste Benefit Assesment	YES	-	15.00	15.00	15.00	-	-
Remaining Tax Liability/(Refund)		-	265.00	265.00	265.00	-	-

Blue = Input

Yellow = Output

Exhibit 13-7

Public Acquisitions Decision Tree

Determination of Whether Direct Charges are Cancelled in the Same Manner as Ad Valorem Taxes

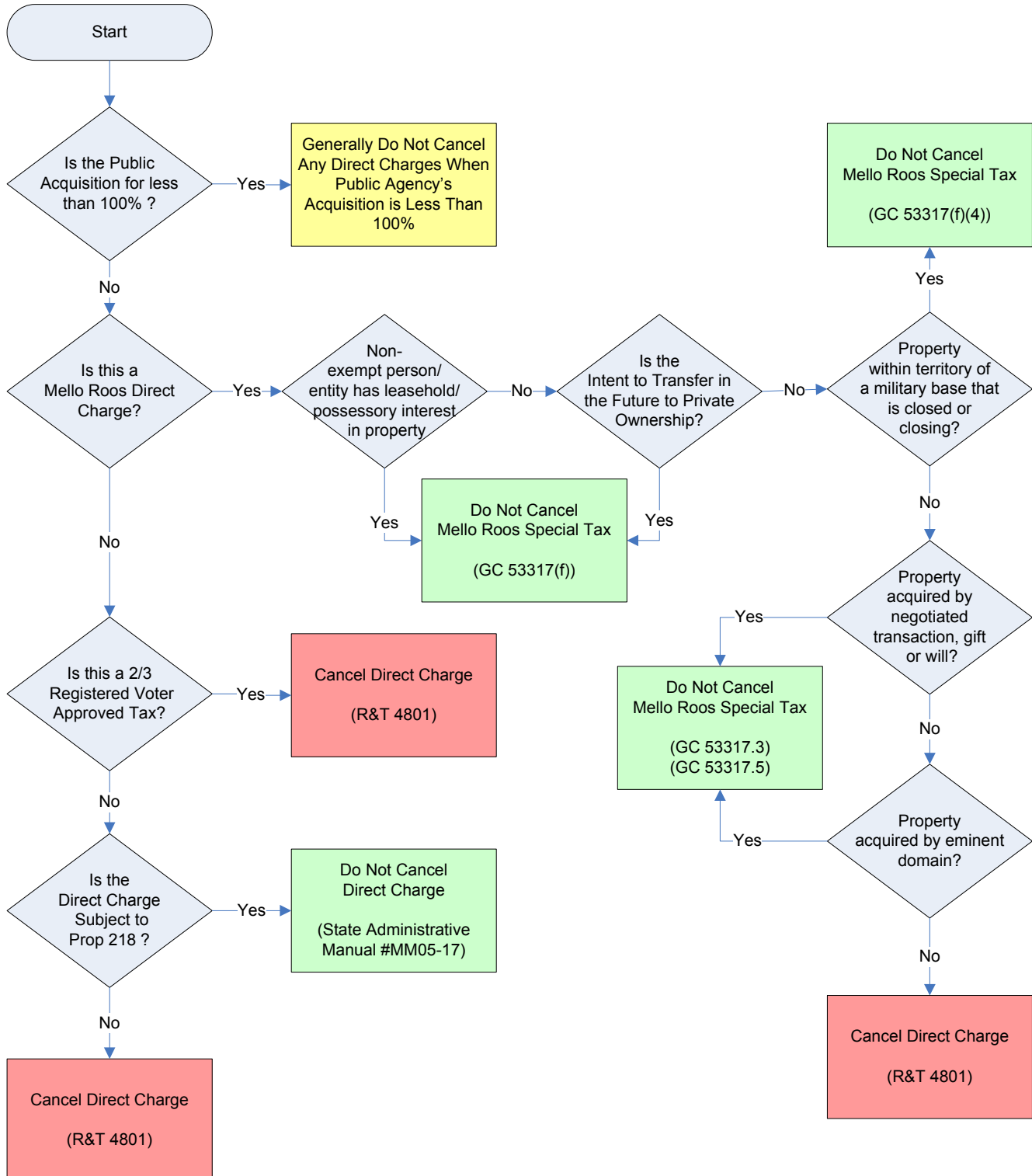


Exhibit 13-8

Roll Maintenance Section
Chapter C-8

SECURED PROPERTY TAX SALES

INTRODUCTION

Secured property may be sold by the Tax Collector at a **tax sale** to satisfy secured **defaulted taxes** five years after the property taxes default. The Tax Collector determines which defaulted **parcels** can be legally sold and the appropriate method of tax sale. The Tax Collector has the primary responsibility for the tax sale; however, the Auditor is involved in several key areas.

MAIN TOPIC

The Revenue and Taxation (R&T) Code sections covering tax sales can be located at R&T Codes §3351 et seq., §4671 et seq., and §4711. Most tax sales are conducted via **public auction** (R&T Code §3693). However, **sealed bid sales** (R&T Code §3692) and **sale by agreement** (R&T Code §3791 et seq.) can also occur. These tax sales have certain rules and parameters that differ from a public auction.

The proceeds from the tax sale are used to pay the **redemption amount** and the costs associated with the tax sale. Any monies remaining after the satisfaction of the redemption amount and costs of the tax sale are considered to be **excess proceeds**. Note, Government Code (Gov) §54985 (a) requires that the Board of Supervisors approves fees notwithstanding any other provision of law that prescribes an amount or otherwise limits the amount of fee or charge that can be levied. Similar language applies to properties redeemed “just” prior to sale in R&T Code §4112 et seq.

The Auditor may be responsible for distributing and/or **apportioning** certain monies received from the tax sale. This can occur using several different methods depending on the type/method of sale, the nature of the **taxing jurisdiction**, and whether the taxes have been **teetered**. The process is detailed in the methodology section.

The Board of Supervisors may delegate to any county officer the responsibility for the processing of excess proceeds from tax sale (R&T Code §4675.1). In several counties, that delegation has been made to the Auditor.

METHODOLOGY

The Tax Collector furnishes the Auditor a list of all tax defaulted property within 30 days of declaration of default (R&T Code §3442). The auditor must enter the fact and date of declaration of default on the current roll after the description of the property.

Property may be redeemed up to the close of business on the last business day prior to the date of the sale. When property is redeemed after being noticed (R&T Code

§3691.4), the tax collector collects certain items in addition to the amount required to redeem. While some of these additional items are mandatory if the property is actually sold at tax sale (e.g. cost of notice), the same items are not automatically authorized to be collected for redeemed property unless specifically authorized by the Board of Supervisors as a fee under Government Code §54985 (R&T Code §4112).

Generally, the tax deed conveys title to the purchaser free of all encumbrances. However, there are district exceptions to the general rule such encumbrances include liened **1915 Special Assessments** or **Mello-Roos** Special Taxes (R&T Code §3712) regardless of whether they are included on the **redemption roll** (R&T Code §3712(f) and §3712(h)) or not (§3712(c)). The Auditor may be asked by the **taxing agency** to remove 1915 Special Assessments or Mello-Roos Special Taxes from the redemption and/or current year roll prior to the tax sale. Due to the covenants of the bond, the taxing agency may proceed with separate **judicial foreclosure** on 1915 Special Assessments or Mello-Roos special taxes long before the tax sale.

The Tax Collector sets the **minimum price** pursuant to R&T Code §3698.5. If no acceptable bids are received, the Tax Collector may, with Board of Supervisor approval, offer the property at a reduced minimum price. The reduced minimum price is at the Tax Collector's discretion. This situation may ultimately result in a **deficit sale**. When a deficit sale occurs, an appropriate reduction must be made to the distribution and apportionment of amounts received (R&T Code §§4672 - 4673.1). This may include reductions to the **tax losses reserve fund** and/or the reduction of distribution and/or apportionment to the taxing agencies pursuant to R&T Code §3719 et seq., §4671 et seq., and/or §4711 (see Chapter C1). See Exhibit 1 for a listing of the consequences of a deficit sale for **Direct Charges**.

Immediately following the tax sale, the Tax Collector deposits the money received, with the exception of the recorder's fee and advertising costs, into the delinquent tax sale trust fund (R&T Code §3718 and §3719). The Tax Collector deposits the documentary Transfer Tax (if applicable) to the county (R&T Code §11911), advertising costs into the county general fund (R&T Code §3719 and §4673), and the recorder's fee with the Recorder. Typically, the Tax Collector distributes, from the delinquent tax sale trust fund, the costs of the tax sale such as the actual and reasonable cost of personal contact, actual and reasonable cost of notice (as approved by the Board of Supervisors pursuant to R&T Code §4672.2 and Government Code §54985), the \$1.50 tax deeded fee (R&T §4672), and the \$150 cost (R&T Code §§4671 through 4673). The Tax Collector also generally transfers the money from the delinquent tax sale trust fund to satisfy the default from the redemption roll and the **current roll** (if applicable). Usually, the Auditor is responsible for apportioning the money received to satisfy the default pursuant to R&T Code §4673.1 and/or §4711.

Also immediately following the tax sale, the Tax Collector shall transmit a report of sale to the Auditor showing (R&T Code §3718 and §3719):

- The cost of advertising;
- The sums received for individual **parcels**;
- Identification of the parcels by year, page and number of the delinquent and current roll; and
- Cost of recording the deeds.

If a **taxing agency** is not also a **revenue district** entitled to **levy** taxes/**assessments** on the property sold, and the taxing agency consented to the sale, the Auditor must send a copy of the Tax Collector's report of sale to the governing board (R&T Code §3720 et seq.). The mailing must include a notice for the taxing agency to claim its proper share of the tax sale proceeds. This claim notice must specify the following:

- A description of the property; and
- That claims on the amount received from the sales shall be made within 60 days after the mailing of the notice for claims.

If a taxing agency is also a revenue district and the county assesses and collects taxes for the taxing agency, the Auditor does not need to send the report of sale. The tax sale proceeds are distributed to these taxing agencies in accordance with R&T Code §4671 et seq. and/or §4711 (see chapter C1) (R&T Code §3724).

If the tax sale is a sale by agreement, the Tax Collector must report to the Auditor within 10 days of the execution of the deed to the taxing agency or nonprofit organization (R&T Code §3811). Any payments required from a sale by agreement will be made to the Tax Collector and deposited like tax collections in the delinquent tax sale trust fund. The distribution shall be in accordance with R&T Code §4671 et seq. and/or §4711 (see chapter C1) (R&T Code §3808).

The Board of Supervisors may delegate tax sale rescissions to any county officer, the Auditor must record each delegated act performed under the authorization (R&T Code §3731.1).

Excess proceeds from tax sales are governed by R&T Code §4674, §4675 and §4711 (when Teeter is involved). Parties of interest may file claims within one year following the recordation of the tax deed to the purchaser. Parties of interest are defined for excess proceeds as "lien holders of record prior to the recordation of the tax deed to the purchaser" and "any person with title of record to all or any portion of the property prior to the recordation of the tax deed to the purchaser". The **order of priority** on claims from the parties of interest is defined in R&T Code §4675.

The excess proceeds claims shall contain whatever information and proof deemed necessary by the board of supervisors to establish the claimant's rights to all or any portion of the excess proceeds. Additional information regarding excess proceeds is available in the Tax Collectors Manual. Although procedures and requirements for each county will vary, it is the processing department's responsibility to ensure that claims for excess proceeds:

- Are filed timely;
- Are filed by a legitimate **party of interest**, or their assignee as described in R&T Code §4675;
- Are ordered in the appropriate order of priority;
- Contain claim amounts based on appropriate portions of ownership (10% interest in parcel is only entitled to file a claim for 10% of the excess proceeds) and nature of ownership (held jointly, separately, tenants in common, etc.); and
- Contain accurate claim amounts based on documented outstanding loan amounts, judgments, interest rate calculations (e.g. simple interest versus compounded interest), length of interest calculations (e.g. interest calculations

accrue only to the date of the tax sale, not the date of the filing of the claim for excess proceeds), etc.

Prior to distribution of excess proceeds, the cost of noticing the right to claim excess proceeds (R&T Code §4676) may be deducted from the excess proceeds and distributed to the county general fund. Most counties do not distribute the excess proceeds for 90 days following the decision by the Board of Supervisors (or their designee) since R&T Code §4675 allows for a 90-day period for any action or proceeding to review the decision.

Any unclaimed excess proceeds are distributed as set forth in R&T Code §4674 (for Non-Teeter components) and §4711(c) (for Teeter components) (See Chapter C1). Prior to the distribution of the unclaimed excess proceeds, the county may deduct those costs of maintaining the redemption and tax-defaulted property files, and those costs of administering and processing the claims for excess proceeds, that have not been recovered under any other provision of law (R&T Code §4674).

RELATED TOPICS

Teeter/Alternative Methodology (C-2)

Apportionment (C-1)

Controls-Reconciling & Balancing (F-4)

Consequences of Direct Charges and Deficit Tax Sales

Is Direct Charge a Bonded 1915 Special Assessment or Bonded Mello-Roos Special Tax? (R&T §3712)	Did Taxing Agency object to the sale? (R&T §3695 + §3712)	Did Taxing Agency remove the Direct Charge prior to the tax sale? (R&T §3712)	Teetered?	Results to Taxing Agency
No	No	No	No	Taxing Agency gets fair share through §4671 et seq. and/or §4701. Any lien is cleared and property is unencumbered by Direct Charge.
No	No	No	Yes	Taxing Agency has already received revenue. Tax Loss Reserve Fund gets fair share of sales proceeds thru §4671 et seq. and/or §4701. Any lien is cleared and property is unencumbered by Direct Charge.
No	Yes	N/A	No	Taxing Agency has to buy the property through Chapter 8. Gets fair share of sales proceeds thorough §4671 et seq. and/or §4701. Any lien is cleared and property is unencumbered by Direct Charge.
No	Yes	N/A	Yes	Taxing Agency has to buy the property through Chapter 8. Taxing Agency has already received revenue. Tax Loss Reserve Fund gets fair share of sales proceeds thorough §4671 et seq. and/or §4701. Any lien is cleared and property is unencumbered by Direct Charge.
No	No	Yes	N/A	Taxing Agency gets nothing from tax sales proceeds. Lien remains. Taxing Agency collects on own.
Yes	N/A	No	No	Taxing Agency gets fair share through §4671 et seq. and/or §4701. Lien remains.
Yes	N/A	No	Yes	Taxing Agency has already received revenue. Tax Loss Reserve Fund gets fair share of sales proceeds thru §4671 et seq. and/or §4701. Lien remains. Determining whether the lien is cleared may be complicated.
Yes	N/A	Yes, for judicial foreclosure	N/A	Taxing Agency gets nothing from tax sales proceeds. Lien remains. Taxing Agency collects on own.

Notes: ~ It is unclear what would happen to a non-bonded Mello-Roos (see R&T §3712(h)).

~ Even if the lien remains, it is the concern of the Taxing Agency, not the Auditor-Controller or the Tax Collector.

Exhibit 1

C8 - 5

**Roll Maintenance Section
Chapter C-9**

SB1096 GYMNASTICS: ERAF III, VLF SWAP AND THE TRIPLE FLIP

INTRODUCTION

Significant financial transactions were legislated in 2003/04 and 2004/05 in order for the State to cope with severe fiscal problems. There were three main components: the ***Sales Tax Triple Flip, Educational Revenue Augmentation Fund (ERAF) III***, and the ***Swap of Motor Vehicle License Fees (VLF Swap)***. See Senate Bill No. 1096, Chapter 211, Statutes of 2004 and Assembly Bill No. 2115, Chapter 610, Statutes of 2004. Specific instructions, Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004/05 and Beyond (a static document), can be found in the Guidelines section of this manual. Effective 2014/15, calculation requirements have changed as a result of the Supreme Court Case BS116375, City of Alhambra et al., versus County of Los Angeles et al., dated November 19, 2012, which clarified some aspects of the legislation. Other legislation currently pending (Assembly Bill No. 1521), could also have an impact on the calculations.

MAIN TOPIC

Triple Flip (0.25% Reduction to Bradley-Burns Sales Tax Authority)

Starting 2004/05, the State takes 0.25% of local sales and use tax to repay its Economic Recovery Bonds. The local counties and cities are reimbursed for this loss from the ERAF. This reimbursement will continue until the State bonds are paid or retired. The State will replace the schools' appropriated ERAF money with State general fund monies.

ERAF III

An additional shift to ERAF was made by local taxing agencies for 2004/05 and 2005/06 only. The 92/93 ERAF shift is now being called ERAF I; the 93/94 ERAF shift is now being called ERAF II. The State Department of Finance provided the fixed ERAF III amounts not otherwise specified in code. Cities, counties, and redevelopment agencies are subjected to ERAF III, as well as special districts, including joint county special districts. The payment criterion for each type of taxing agency is different.

VLF Swap

The motor vehicle license fee swap for property taxes is to be a permanent swap. The State Department of Finance provided County Auditors estimated 2004/05 amounts to be taken from the ERAF Fund for the counties and cities. A one-time true-up to the 04/05 base was made in 2005/06, and then the VLF Swap amount grows as the agency's assessed value grows. Growth calculations should be made beginning in 2005/06 and each year following

for each city. The calculation is to be based on the percentage change in gross taxable assessed value from the prior fiscal year to the current fiscal year using the city's prior jurisdictional boundaries (growth is without annexed areas). Assembly Bill No. 1521 proposes to include the area annexed by a city in the growth calculation beginning with 2014/15. The County's growth is the countywide assessed value growth (includes incorporated and unincorporated areas).

METHODOLOGY

AB8 factors do not change with the implementation of ERAF III, VLF Swap, and the Triple Flip. The SB 1096 ERAF adjustments are made after AB8 allocation.
(Refer to SB 1096 Guideline Appendix A Schedules F, G and H)

Property Tax Administrative Fee (PTAX) factor changes: ERAF III, excluding redevelopment, affects these factors for 2004/05 and 2005/06 only. It was originally determined that the Triple Flip and VLF Swap would affect PTAX factors beginning in 2006/07 and forward as shown in the Uniform Guidelines (a static document). However, the Supreme Court Case BS116375, City of Alhambra et al., versus County of Los Angeles et al., dated November 19, 2012, disallowed this treatment and subsequently, the practice was discontinued. Many cities were reimbursed by counties for prior year payments. Since agreements between them varied, the prior years reimbursed and the amount of interest paid, also varied.

Supplemental factor changes: Neither ERAF III nor Triple Flip changes supplemental apportionment factors calculation. VLF Swap (a permanent conversion of VLF revenues to property tax revenues,) originally affected supplemental apportionment factors as shown in the Uniform Guidelines (a static document), beginning in 2004/05. However, as a result of the Supreme Court Case BS116375, City of Alhambra et al., versus County of Los Angeles et al., dated November 19, 2012; the State Controller's Office determined that the VLF Swap should not impact an entity's property tax allocation base. Therefore, the VLF Swap is not included in the calculation of current or prior year supplemental apportionment factors beginning 2014/15. It is necessary to exclude it from current calculations and also to recalculate any prior year factors that are used for future years.

Unitary factor changes: Neither ERAF III nor the Triple Flip changes the unitary apportionment factors calculation. Starting from the first year of implementation, FY 2004/05, VLF Swap (a permanent conversion of VLF revenues to property tax revenues,) affected unitary apportionment factors when the unitary roll had growth over 102% of the prior year amount as shown in the Uniform Guidelines (a static document). As a result of the Supreme Court Case BS116375, City of Alhambra et al., versus County of Los Angeles et al., dated November 19, 2012; the State Controller's Office determined that the VLF Swap should have no effect on any allocation that relies on AB8. Therefore, the inclusion of the VLF Swap in the unitary calculation was to be discontinued no later than the 2014/15 fiscal year.

Additional information:

Exhibit 1: SB 1096 Flowchart (in narrative)

Exhibit 2: SB 1096 Flowchart (example with amounts)

Exhibit 3: Code references for events calendar updates

Exhibit 4: VLF Swap growth calculation – county and cities

ADDITIONAL CONSIDERATION

Problems have been encountered in the implementation of this new legislation. Several entities have proposed clean-up legislation.

RELATED TOPICS

Calculation of Supplemental Apportionment Factors

Calculation of Unitary Apportionment Factors

Calendar

ERAF

Guidelines

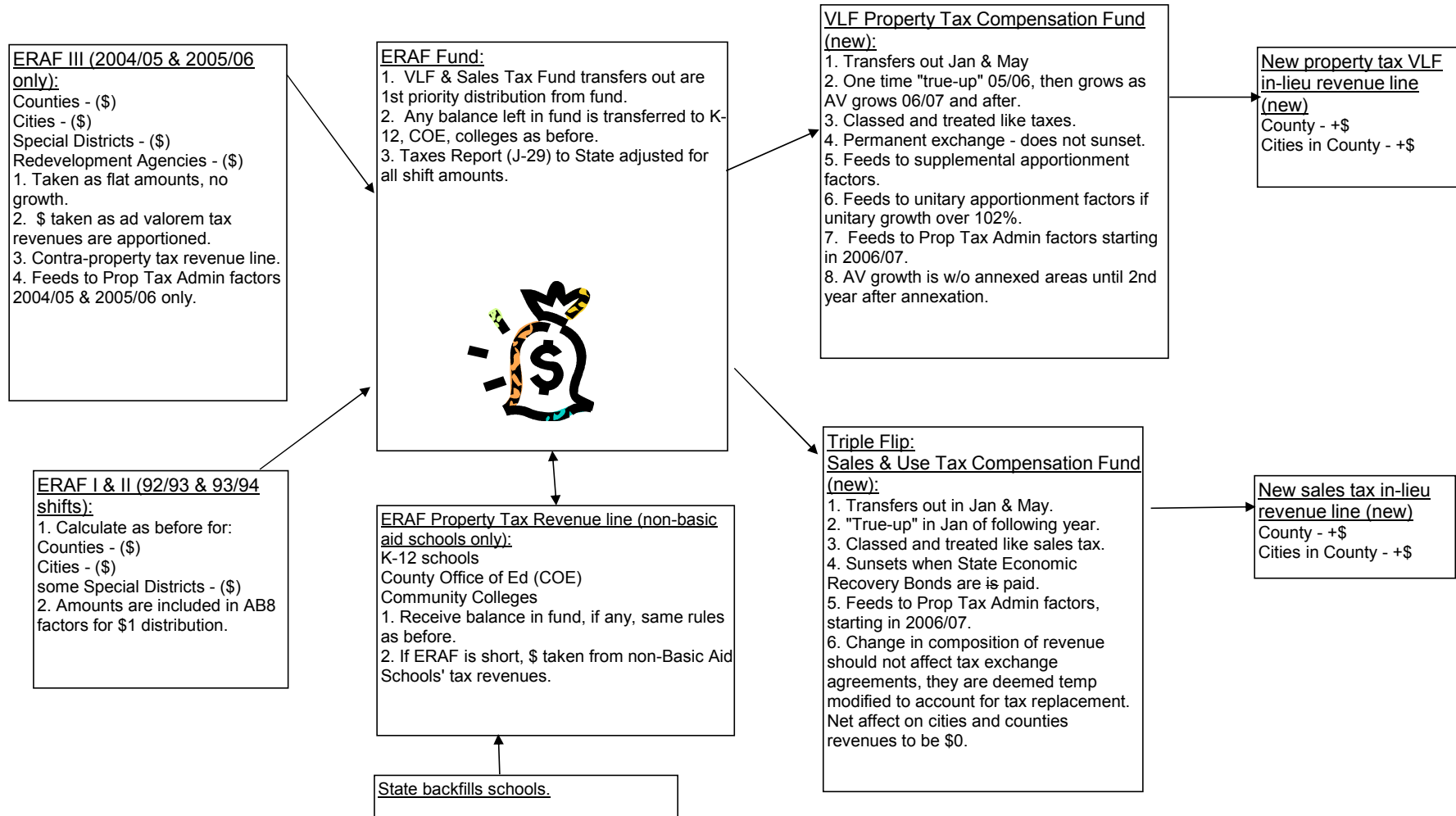
Redevelopment

Revenues/Cost Reimbursement

Supplemental Roll Maintenance

Unitary

2004/2005 TRIPLE FLIP, SB1096, AB2115 FLOWCHART



Definitions:

- "AV" to be used for VLF growth in 2005/06. S, U, H/O, Boats, Airplanes, Utility w/o unitary. This is to be Gross, before RDA adjustments are taken off. For city's previous jurisdictional boundaries, without regard to the change in that city's jurisdictional boundaries. For each following fiscal year, the percentage change in gross taxable assessed valuation from the prior FY to the current FY shall be calculated on the basis of the city's prior year jurisdictional boundaries.
- Because of special VLF growth, this shift will always be done on a jurisdictional level, with transfers/distributions twice a year in January & May.
- It would be prudent to use a contra-revenue line for ERAF III shift amounts.
- New revenue source lines should be built for the in-lieu VLF and the in-lieu sales tax. (Code requires it.)
- In November, 2004, the State asked that the Taxes Report (J-29) be net of the VLF and Triple Flip amounts.

2004/2005 TRIPLE FLIP, SB1096, AB2115

FLOW CHART: AMOUNTS SHIFTED

ERAF III
JV - Rev Line #1020
Contra Revenue
For 04/05 & 05/06 only

County	3,781,964
Cities	2,112,755
Special Dist	1,360,926
RDA's	1,177,143
	<u>8,432,788</u>

ERAF I & II

ERAF I & II
Amounts Included in
AB8 Factor Calculation

Started 92/93 & 93/94 Property Taxes	42,576,013



ERAF FUND - #519

ERAF III	8,432,788
ERAF I & II	42,576,013
VLF	-41,943,979
SALES TAX	-8,935,149
Total	<u>129,673</u>

SCHOOLS
JV - Revenue Line #1461

Property Taxes (-)= REVERSE APPORTION	129,673

STATE TO BACKFILL SCHOOLS

VLF COMP FUND
Grows as AV Grows

Jan & May pmts	41,943,979

VLF IN LIEU - JV
Revenue Line #1165

Jan & May pmts	
County	28,640,147
Cities	<u>13,303,832</u>
	41,943,979

TRIPLE FLIP
SALES COMPENSATION FUND
Ends when State Bond
is paid off (10-15 years?)

Jan & May pmts	8,935,149

SALES TX IN LIEU - JV
Revenue Line #1312

Jan & May pmts	
County	1,796,278
Cities	<u>7,138,871</u>
	8,935,149

If authority:
Negotiated % from City
to County

2004/2005 TRIPLE FLIP, SB1096, AB2115

Code Reference	Date	Action	Frequency
	March 2, 2004	Proposition 57 passed by voters. Reduced general sales tax rate for local govt; property tax offset reduction in sales tax.	one time only
R&T §97.68	September 1, 2004	DOF notifies counties & cities of sales tax shift amounts (Countywide adjustment amounts).	annually
R&T §97.70	September 1, 2004	SCO notifies Counties & cities of VLF amounts.	one time only
R&T §97.71, §97.72, §97.73	September 15, 2004	SCO notifies Counties of ERAF III amounts.	two years only
	October 1, 2004	Cities may pay ERAF III to County ERAF.	two years only
R&T §97.71, §97.72, §97.73	October 24, 2004	SCO notifies DOF of special district amounts for ERAF III	one time only
	November 2, 2004	Voters passed Proposition 1A.	one time only
R&T §97.71, §97.72, §97.73	November 12, 2004	DOF notifies County Auditors of ERAF III amounts for special districts	one time only
	November 15, 2004	Taxes Report (J-29 P-1) estimate due State	every year
H&S §33681.12	November 15, 2004	DOF notifies County Auditors of ERAF III amounts for RDAs.	two years only
	January 10, 2005	Governor's "countywide adjustment amount" for 2005/06 reported in State budget	every year
R&T §97.68	January 31, 2005	Transfer 1/2 the Countywide Adjustment Amount into Sales Tax Compensation Fund. (Triple Flip)	every year
R&T §97.70	January 31, 2005	Transfer 1/2 the VLF Adjustment amount.	every year
H&S §33681.12	March 1, 2005	RDAs notify County Auditors how they will fund ERAF III shift.	two years only
	April 15, 2005	Taxes Report (J-29 P-2) estimate due State	every year
H&S §33681.12	May 10, 2005	RDAs pay ERAF III to County ERAF	two years only
	May 14, 2005	May Revision of Governor's "countywide adjustment amount" estimate	every year
H&S §33681.13(e)	May 15, 2005	Auditor takes any unpaid RDA ERAF payment amounts from sponsoring legislative body.	two years only
R&T §97.68	May 31, 2005	Transfer 1/2 the Countywide Adjustment Amount into Sales Tax Compensation Fund. (Triple Flip)	every year
R&T §97.70	May 31, 2005	Transfer 1/2 the VLF Adjustment amount.	every year
R&T §97.68	July, 2005	State calculates "true-up" on Sales Tax in-lieu.	every year
	August 15, 2005	Taxes Report (J-29 Annual) due to State	every year
R&T §97.68	September 1, 2005	State DOF notifies counties & cities of sales tax shift amounts (Countywide adjustment amounts). (Including annual "true-up".)	every year
R&T §97.76	October 15, 2005	State notifies counties and cities of VLF swap "true-up". Notification was due on 9-1-2005.	one time only
R&T §97.71, §97.72, §97.73	September 15, 2005	SCO notifies Counties of ERAF III amounts.	two years only
	October 1, 2005	Cities may pay ERAF III to County ERAF.	every year
	November 15, 2005	Taxes Report (J-29 P-1) estimate due State	every year
H&S §33681.12	November 15, 2005	DOF notifies County Auditors of ERAF III amounts for RDAs.	two years only
R&T §97.70	January 1, 2006	Auditor makes "true-up" on VLF in-lieu for prior year.	one time only
R&T §97.68	January 31, 2006	Auditor makes 100% of Sales tax in-lieu "true-up" for prior year.	every year
R&T §97.68	January 31, 2006	Transfer 1/2 the Countywide Adjustment Amount into Sales Tax Compensation Fund. (Triple Flip)	every year
R&T §97.70	January 31, 2006	Transfer 1/2 the VLF Adjustment amount.	every year
H&S §33681.12	March 1, 2006	RDAs notify County Auditors how they will fund ERAF III shift.	two years only
	April 15, 2006	Taxes Report (J-29 P-2) estimate due State	every year
H&S §33681.12	May 10, 2006	RDAs pay ERAF III to County ERAF	two years only
H&S §33681.13(e)	May 15, 2006	Auditor takes any unpaid RDA ERAF payment amounts from sponsoring legislative body.	two years only
R&T §97.68	May 31, 2006	Transfer 1/2 the Countywide Adjustment Amount into Sales Tax Compensation Fund. (Triple Flip)	every year
R&T §97.70	May 31, 2006	Transfer 1/2 the VLF Adjustment amount.	every year
R&T §97.70	June 30, 2006	Auditor reports to the SCO the actual vehicle license adjustment amount for the county and each city in the county for that fiscal year.	every year
R&T §10754.11	August 15, 2006	SCO allocates VLF Gap Repayment Fund to counties & cities	one time only
	August 15, 2006	Taxes Report (J-29 Annual) due to State	every year
R&T §97.68	September 1, 2006	DOF notifies counties & cities of sales tax shift amounts (Countywide adjustment amounts). Including annual "true-up".	every year
	November 15, 2006	Taxes Report (J-29 P-1) estimate due State	every year
R&T §97.68	January 31, 2007	Auditor makes 100% of Sales tax in-lieu "true-up" for prior year.	every year
R&T §97.68	January 31, 2007	Transfer 1/2 the Countywide Adjustment Amount into Sales Tax Compensation Fund. (Triple Flip)	every year
R&T §97.70	January 31, 2007	Transfer 1/2 the VLF Adjustment amount.	every year
	April 15, 2007	Taxes Report (J-29 P-2) estimate due State	every year
R&T §97.68	May 31, 2007	Transfer 1/2 the Countywide Adjustment Amount into Sales Tax Compensation Fund. (Triple Flip)	every year
R&T §97.70	May 31, 2007	Transfer 1/2 the VLF Adjustment amount.	every year
R&T §97.70	June 30, 2007	Auditor reports to the SCO the actual vehicle license adjustment amount for the county and each city in the county for that fiscal year.	every year

Motor Vehicle In Lieu (VLF) Growth Calculation - Counties and Cities

County VLF Growth Calc:

Original AV grows, annexation AV **is included** for **County** growth. County VLF is increased by the % of growth in the total roll values.

FY	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
Total Annual Roll AV	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>	<u>1,000,000,000</u>
AV Change		0	0	0	0	0
% total roll growth		0.00%	0.00%	0.00%	0.00%	0.00%
VLF Amount	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>

Emerald City VLF Growth Calc:

Original AV grows, annexation AV **is not** included for **city** growth. City VLF is increased by the % of growth in the total roll reduced by annexation values for each current year. **Each year stands alone.**

FY	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
Annual Roll AV	20,000,000	22,000,000	27,830,000	33,033,000	40,571,300	45,475,430
Annual Annexation AV		<u>3,300,000</u>	<u>2,200,000</u>	<u>3,850,000</u>	<u>770,000</u>	<u>1,650,000</u>
Total Annual Roll AV	<u>20,000,000</u>	<u>25,300,000</u>	<u>30,030,000</u>	<u>36,883,000</u>	<u>41,341,300</u>	<u>47,125,430</u>
AV Annual Change		5,300,000	4,730,000	6,853,000	4,458,300	5,784,130
AV Annual Change w/o annexation		<u>2,000,000</u>	<u>2,530,000</u>	<u>3,003,000</u>	<u>3,688,300</u>	<u>4,134,130</u>
% total agency annual roll growth		26.50%	18.70%	22.82%	12.09%	13.99%
use % agency growth w/o annexation		10.00%	10.00%	10.00%	10.00%	10.00%
VLF Amount	<u>5,000,000</u>	<u>5,500,000</u>	<u>6,050,000</u>	<u>6,655,000</u>	<u>7,320,500</u>	<u>8,052,550</u>

Munchkin Land City VLF Growth Calc:

Original AV grows, annexation AV **is not** included for **city** growth. City VLF is increased by the % of growth in the total roll reduced by annexation values for each current year. **Each year stands alone.**

FY	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	<u>2009/10</u>
Annual Roll AV	11,500,000	12,420,000	14,580,000	16,446,240	17,761,939	19,532,814
Annual Annexation AV		<u>1,080,000</u>	<u>648,000</u>		<u>324,000</u>	<u>972,000</u>
Total Annual Roll AV	<u>11,500,000</u>	<u>13,500,000</u>	<u>15,228,000</u>	<u>16,446,240</u>	<u>18,085,939</u>	<u>20,504,814</u>
AV Annual Change		2,000,000	1,728,000	1,218,240	1,639,699	2,418,875
AV Annual Change w/o annexation		<u>920,000</u>	<u>1,080,000</u>	<u>1,218,240</u>	<u>1,315,699</u>	<u>1,446,875</u>
% total agency annual roll growth		17.39%	12.80%	8.00%	9.97%	13.37%
Use % agency growth w/o annexation		8.00%	8.00%	8.00%	8.00%	8.00%
VLF Amount	<u>3,000,000</u>	<u>3,240,000</u>	<u>3,499,200</u>	<u>3,779,136</u>	<u>4,081,467</u>	<u>4,407,984</u>

Assumptions:

- ≈ "Roll" includes the Assessor's 601 Roll (Secured, Unsecured, Homeowner Exemption values, Airplanes, Boats), Utility Roll (without unitary values).
- ≈ Emerald City annual growth @ 10.00%
- ≈ Munchkin Land City annual growth @ 8.00%
- ≈ 2004/05 VLF amount has already been adjusted for one-time "true-up".
- ≈ County VLF growth is countywide assessed value and is not affected by city annexations.

Exhibit 4

AB8 Process Section
Chapter D-1

DISTRICT MASTER FILE, TAX RATE AREA CHART

INTRODUCTION

Maintenance of the ***District Master File*** and checking the ***Tax Rate Area Chart*** are functions closely associated with ***Jurisdictional Changes*** which are the subject of the next chapter. Since it is intended that this chapter be relevant without reading the other chapter, there will be some duplication of subject matter. The tax rate area chart is also called the ***Tax Rate Area Code Chart***. This chapter will use the term “tax rate area chart” throughout.

Each county maintains a district master file, also known as the ***tax structure***, which is the master file that identifies for each ***tax rate area (TRA)*** the funds, agencies, ***allocation factors*** and tax amounts to be used in the calculation of the ***AB 8 allocation***. The ***State Board of Equalization (BOE)*** maintains a tax rate area chart listing TRAs and their corresponding districts for each county in numerical order. Monitoring the changes in the master file and the tax rate area chart is an important control function in each county.

Main Topic

A tax rate area is a geographical area comprised of a unique combination of taxing jurisdictions providing service. A ***taxing jurisdiction*** is an entity that has been approved by the state to levy or assess special taxes. See the Jurisdictional Changes chapter Exhibit E for a detailed discussion of the Tax Rate Area System.

Prior to 1995 each county received a graphic chart, known as the ***Blue Line***, listing all TRAs and districts within each TRA. To check the accuracy of the chart and any jurisdictional changes the chart was visually compared with the prior year chart. Changes were then checked against each TRA change notice received from BOE. Chart contents were then visually compared to the county’s district master file.

On April 5, 1995 the BOE officially approved a change in format of the tax rate area chart. The chart is now in an electronic file format. The format is compatible with most electronic database and spreadsheet applications.

Each year, the BOE sends a DVD to all counties containing the jurisdictional changes and maps for the upcoming tax year. The preliminary DVDs are scheduled to be mailed on or after November 15, January 5, and February 28. If the county does not receive a DVD after each one of the above dates, there were no changes processed for the county during that specific time period.

The preliminary final DVD of completed changes will be mailed as soon as all changes are processed by the BOE. The DVD contains information for every county by folder. Each county folder contains the TRA Change Notices, maps that were altered by the filings, six data tables, the filing log, a Tax Rate Area Chart for each county, and a listing of districts and their TRAs. A letter accompanying the DVD states the time period by which changes

may be requested for the upcoming year. Any changes requested after that date will not be reflected until the following year.

There are many methods used to check the chart. A printed master file list can be compared to a printed tax rate area chart. There is a blank field in the tbIDISTRICTS file allowing each county to add their district fund numbers to the file. An electronic file comparison of the county master file with the tax rate area chart is then possible.

Each county should compare the tax rate area chart with the prior year chart and verify any changes. The county should then compare the tax rate area chart with the master file and investigate any differences. If there are any errors, the BOE should be notified by the date referenced in the letter accompanying the final DVD.

There are many different methods that can be used to check the district master file and the tax rate area chart. The methodology will describe techniques beginning with the simplest and ending with the most sophisticated methods.

METHODOLOGY

The following topics will be found in the Methodology section of this chapter:

- 1 Sample File Data and Tax Rate Area Chart
- 2 Comparison of the Prior Year Tax Rate Area Chart to the Current Year Tax Rate Area Chart
- 3 Analysis of District Relationships
- 4 Comparison of the Tax Rate Area Chart to the District Master File
- 5 Detection and Correction of an Error

Sample File Data

Sample files for Oz County are attached as the following exhibits:

- 1 Sample CONAMES file Exhibit B
- 2 Sample TRA file Exhibit C
- 3 Sample DISTRICT file Exhibit D
- 4 Sample DISTYPE file Exhibit E
- 5 Sample District Master File Exhibit F

The file names in capital letters above correspond to the file names used in the tax rate area chart. The sample files use the BOE electronic format and record structure. Sample data has been added to the files which include the Oz County Garland Reorganization BOE change order # 98-005 from Exhibit A in the Jurisdictional Changes chapter as an example of current and prior year differences.

The field names used in the following illustrations are from the Tax Rate Area Data Tables sent with the DVD.

Field Names:

citycode: city code for districts that are of type city.

co: 2-digit identification number for all counties. The counties are listed alphabetically and numbered from "01" to "58"

co_name: alpha/text field of county names; relates to "co" field.

countywide: county-wide designation.

d_code: 3-digit arbitrary number assigned by Tax Area Services to each district or zone to create a unique identifier.

district: alpha/text field for the name of the district.

dist_type: 2-digit number used to identify the type of district. Tax Area Services uses 82 types.

fileNumCancel: filing number that dissolves a TRA.

fileNumRoll: filing number that adds a TRA.

fund_num: county fund number for the district. This data is given to Tax Area Services by the county auditor's office on a voluntary basis.

Issue_date: date of issue of map

joint: logical field; is this a multi-county district? Gives True or False values.

map: 3-digit identification number of map.

mapsize: letter designation of map size

parent: logical field, identifies a parent district. A zone or segregation of a district returns a false value.

parent_code: parent district number.

pri: 3-digit primary number for the tax rate area code system.

tra: 6-digit tax rate area number **transcode:** another code for districts of type city.

The Tax Rate Area Chart

The BOE no longer provides printed tax rate area charts. Each county must prepare the TRA report using electronic applications. To prepare the report, choose the data fields the report will include. This will vary depending upon checking methodology. Most reports will include TRA, d_code, and district. To assist with district type analysis, which will be explained later, it is also useful to include the dist_type field.

The next step is to create the TRA report by linking those fields using a database or spreadsheet application.

EXAMPLE OF TRA REPORT PREPARATION

TAX RATE AREA CHART FILES

CONAMES

co	co_name	combined field
60	Oz	60 OZ

TRA

co	TRA	d_code
60	002114	001

Oz County has added
funds numbers to this file

DISTRICTS

co	d_code	district	dist_type	parent	joint	fund_num	parent_code	countywide
60	001	Emerald City	01	TRUE	FALSE	0760		FALSE

DISTTYPE

dist_type	dist_cat
01	CITY

1 SELECT FIELDS INDICATED BY - ☆

2 LINK FILES INDICATED BY - →

TRA

co	tra	d_code
60	002114	001

DISTRICTS

d_code	district	co	dist_type	parent	joint	fund_num
001	Emerald City	60	01	TRUE	FALSE	0760

DISTTYPE

dist_type	dist_cat
01	CITY

END RESULT RECORD

tra	d_code	district	dist_type	fund_num	dist_cat
002-114	001	Emerald City	01	0760	CITY
From TRA file		From DISTRICTS file		From DISTTYPE file	

Joint County Districts

Oz County has joint county districts. It is not unusual for counties to have fire, school or other districts which cross county lines. These districts are found in the tblDistricts file (Exhibit D):

d_code	district	co	dist_type	parent	joint	fund_num
002	Captain Hook Elem Sch JT(60,61)	60	02	FALSE	TRUE	4802
004	Lost Boys Elem Sch JT(60,61)	60	02	FALSE	TRUE	4801
006	Princess Tiger Lily High Sch JT(60,61)	60	03	TRUE	TRUE	4803
009	Peter Pan Community College JT(60,61)	60	05	TRUE	TRUE	4810

The district field includes the text "JT(60,61)" which indicates that these are joint districts in Oz County 60 and Never Never Land County 61. The value is "TRUE" in the record field joint. Oz County has added the funds to the fund_num field. Fund information is not provided by BOE.

Comparison of the Prior Year Tax Rate Area Chart to the Current Year Tax Rate Area Chart

Visual Tax Rate Area Comparison

One method to check the tax rate area chart is to print the current year chart and visually compare it to the prior year chart. This method is time consuming if the county has numerous tax rate areas.

Prior year Oz County tax rate area chart for areas 002-114 and 086-020:

tra	d_code	district
086-020	005	Munchkin Elem School
086-020	007	Winged Monkeys High School
086-020	008	Great Wizard College
086-020	010	Scarecrow Cemetery District
086-020	011	Poppy Field RCD
086-020	012	County Flood Zone
086-020	013	Tin Man Fire Protection
086-020	015	Yellow Brick Road
086-020	017	Guardian Transit District
086-020	018	Good Witch Water District

Current year Oz County tax rate area chart for areas 002-114 and 086-020:

tra	d_code	district
002-114	001	Emerald City
002-114	005	Munchkin Elem School
002-114	007	Winged Monkeys High School
002-114	008	Great Wizard College
002-114	010	Scarecrow Cemetery District
002-114	011	Poppy Field RCD
002-114	012	County Flood Zone
002-114	015	Yellow Brick Road
002-114	017	Guardian Transit District
002-114	018	Good Witch Water District
086-020	005	Munchkin Elem School
086-020	007	Winged Monkeys High School
086-020	008	Great Wizard College
086-020	010	Scarecrow Cemetery District
086-020	011	Poppy Field RCD
086-020	012	County Flood Zone
086-020	013	Tin Man Fire Protection
086-020	015	Yellow Brick Road
086-020	017	Guardian Transit District
086-020	018	Good Witch Water District

The addition of tax rate area 002-114 and its districts is apparent. Verify the district additions in the new tax rate area against the BOE change order that created the new tax rate area.

Visual District Comparison

Another visual inspection method is to prepare a report by district from prior year and current year tax rate area charts. The prior year report for Poppy Field Resource Conservation District (RCD):

tra	d_code	district
050-001	011	Poppy Field RCD
086-020	011	Poppy Field RCD
092-001	011	Poppy Field RCD
096-001	011	Poppy Field RCD

The current year report for Poppy Field RCD:

tra	d_code	district
002-114	011	Poppy Field RCD
050-001	011	Poppy Field RCD
086-020	011	Poppy Field RCD
092-001	011	Poppy Field RCD
096-001	011	Poppy Field RCD

The addition of a new rate area 002-114 that includes Poppy Field RCD is apparent. Check the accuracy of the addition with the BOE Change Order. Similar analysis of the other districts will show the addition of tax rate area 002-114 when those districts are included in that tax rate area.

String Code Analysis

Using spreadsheet text functions to concatenate the district codes in each tax rate area creates a string code. The BOE uses string codes to determine if **look-a-like TRAs** exist in counties. String code analysis can be used throughout the year to create a pro-forma tax rate area chart. The pro-forma chart can be compared to the tax rate area chart received from BOE. See Exhibit G for an example of string code creation for the current year tax rate area chart for Oz County.

String code creation for tax rate area 002-114:

tra	d_code	district	String Code Example
002-114	001	Emerald City	001005007008010011012015017018
002-114	005	Munchkin Elem School	
002-114	007	Winged Monkeys High School	
002-114	008	Great Wizard College	
002-114	010	Scarecrow Cemetery District	
002-114	011	Poppy Field RCD	
002-114	012	County Flood Zone	
002-114	015	Yellow Brick Road	
002-114	017	Guardian Transit District	
002-114	018	Good Witch Water District	

Once completed, the string codes for each year can be compared and spreadsheet functions used to identify differences as shown below:

tra	PRIOR YEAR	CURRENT YEAR	COMPARE
002-114		001005007008010011012015017018	CHANGED
050-001	003007008010011012013015017018	003007008010011012013015017018	NOT CHANGED
086-020	005007008010011012013015017018	005007008010011012013015017018	NOT CHANGED
092-001	002006009010011012001315017	002006009010011012001315017	NOT CHANGED
096-001	004006009010011012013017	004006009010011012013017	NOT CHANGED

In situations where the BOE has made an erroneous change in the tax rate area chart, this analysis will show a change that cannot be explained by a BOE Change Report. The following is an example of an erroneous deletion of a district from a tax rate area:

tra	PRIOR YEAR	CURRENT YEAR	COMPARE
002-114		001005007008010011012015017018	CHANGED
050-001	003007008010011012013015017018	003007008010011012013015017018	NOT CHANGED
086-020	005007008010011012013015017018	005007008010011012013015017	CHANGED
092-001	002006009010011012015017	002006009010011012015017	NOT CHANGED
096-001	004006009010011012013017	004006009010011012013017	NOT CHANGED

The change for the addition of tax rate area 002-114 can be explained by the Garland Reorganization jurisdictional change. The removal of Good Witch Water District 018 from tax rate area 086-020 is an error. The county should notify BOE of the error by April 15.

Database Analysis

There are many sophisticated database methods that can be used to compare the prior year tax rate area chart and the current year tax rate area chart. The current year chart can be subtracted from the prior year chart to see if tax rate areas or districts have been removed. The prior year chart can be subtracted from the current year chart to check if tax rate areas have been added. The two charts can also be linked and compared for differences. This process is difficult to illustrate due to the nature and size of the files and the technology used.

Analysis of District Relationships

Analysis of district relationships is possible if the district and dist_type records are added to the TRA file in the tax rate area chart. Note there can be exceptions to the following guidelines:

- 1 There should only be one fire district and water district in each tax rate area.
- 2 Some districts may reside in the unincorporated area only, which means they should be in every tax rate area without a city.
- 3 There should only be one elementary school district, one high school district and one community college district in each tax rate area.
- 4 Certain elementary school districts should be in the same high school district. Some elementary school districts may be in more than one high school district.
- 5 The total tax rate areas with high school districts should equal the total tax rate areas with elementary school districts.
- 6 The County School Service fund should appear in all tax rate areas, which include Oz County schools.

Oz County has some joint school districts with Never Never Land County. The County School Service Fund will not appear in tax rate areas containing Never Never Land County School Districts.

The district field and dist_type fields are included in the following tax rate area chart:

tra	d_code	district	dist_type	dist_cat
002-114	001	Emerald City	01	CITY
002-114	005	Munchkin Elem School	02	ELEM. SCHOOL
002-114	007	Winged Monkeys High School	03	HIGH SCHOOL
002-114	008	Great Wizard College	05	COMM. COLLEGE
002-114	010	Scarecrow Cemetery District	11	CEMETERY
002-114	011	Poppy Field RCD	12	RESOURCE CONSV.
002-114	012	County Flood Zone	15	FLOOD CONTROL
002-114	015	Yellow Brick Road	45	ROAD MAINT.
002-114	017	Guardian Transit District	67	TRANSIT
002-114	018	Good Witch Water District	71	WATER

Reviewing this file for district types or the absence of a district type that should be included is possible with this process.

Comparison of the Tax Rate Area Chart to the District Master File

The ***district master file*** may include zones of taxing jurisdictions that the BOE does not record. It is possible for the district master file to include funds for special levies or zones of taxing jurisdictions that will not appear on the tax rate area chart. The district master file may have more districts than the tax rate area chart. The district master file should not contain fewer districts than the tax rate area chart.

Comparison processes are similar to comparison of current year and prior year tax rate area charts.

Visual Tax Rate Area Comparison

Visual comparison of the district master file and the tax rate area chart is a method of checking the files. See the Oz County District Master File (Exhibit F) and compare to Oz County TRA File (Exhibit C)

Visual District Comparison

A comparison of District Master File to Tax rate area chart for Poppy Field RCD follows.

Selected data from the District Master File tax rate areas with Poppy Field RCD:

TRA	DISTRICT NAME	FUND	ALLOCATION FACTOR	PRIOR ALLOCATED TAXES
002 - 114	Poppy Field RCD	4500	.00000000	
050 - 001	Poppy Field RCD	4500	.00000287	32,400,000
086 - 020	Poppy Field RCD	4500	.00000000	14,709,555
092 - 001	Poppy Field RCD	4500	.00001612	5,556,330
096 - 001	Poppy Field RCD	4500	.00001612	3,716,505

Tax rate areas with Poppy Field RCD from the tax rate area chart:

tra	d_code	district
002-114	011	Poppy Field RCD
050-001	011	Poppy Field RCD
086-020	011	Poppy Field RCD
092-001	011	Poppy Field RCD
096-001	011	Poppy Field RCD

A visual comparison of the district in the master file and the district on the tax rate area chart agree.

Database Analysis

It is possible to use district master file information transferred from a tax system for comparison to the tax rate area chart. The use of electronic methodology depends upon the type of tax system in place and programming staff resources. Because of the many differences in each county it is not possible to illustrate the process in this chapter.

Detection and Correction of an Error

Goodbye Yellow Brick Road

The tax rate area chart for the Yellow Brick Road District:

tra	d_code	district
002-114	015	Yellow Brick Road
050-001	015	Yellow Brick Road
086-020	015	Yellow Brick Road

District Master File for Yellow Brick Road:

TRA	DISTRICT	FUND	ALLOCATION FACTOR	PRIOR ALLOCATED TAXES
002 - 114	Yellow Brick Road	2610	1.29207864	5,573
050 - 001	Yellow Brick Road	2610	1.29207864	18,792,000
086 - 020	Yellow Brick Road	2610	1.29207864	8,531,542
092 - 001	Yellow Brick Road	2610	.00000000	
096 - 001	Yellow Brick Road	2610	.00000000	

The master file includes Yellow Brick Road District in tax rate areas 092-001 and 096-001. It is necessary to determine which file is in error.

Investigation techniques include the following:

- 1 Examine a physical or electronic district map when appropriate. Does this road, school or other facility serve this tax rate area?
- 2 Review the master file maintenance process. When and for what reason was the district added to the tax rate areas?
- 3 Review the BOE change order that created the tax rate area. Was the district included in the original creation?
- 4 Contact district administration for verification of the district boundaries.
- 5 For flood control, roads and other districts managed by the County Public Works or Planning Departments, check with the engineer responsible for that project.

When using electronic mapping, be aware that some electronic map layers use the tax master files as sources. Be aware that circular checking could occur in this and other circumstances. Understand the checking source used.

Map inspection and master file analysis reveal that tax rate areas 092-001 and 096-001 are in the Never Never Land School District areas. The physical map shows that Yellow Brick Road ends at the border of Never Never Land School Districts. The district file maintenance records reveal the district was added to the tax rate areas in error and must be removed.

ACCOUNTING TREATMENT

After discovery of a district master file error it is necessary to analyze if property tax or direct and special levy charge errors need correction. The district has no allocation factor in tax rate areas 092-001 and 096-001. There are no direct or ***special assessments*** in this district. Removing the districts from the master file corrects the problem. No revenue adjustments are necessary in this case.

ADDITIONAL CONSIDERATIONS

It is possible to use string code analysis illustrated in the Methodology section to reduce the proliferation of tax rate areas in each county. Using the string code concatenation technique create a dummy string code adding the annexed district codes and removing the detached district codes. Sort the dummy string into the tax rate area file to see if there is a look-a-like TRA with the dummy string code. Depending on restrictions defined by the Assessor and other zoning considerations, the look-a-like TRA can be assigned to the ***parcels*** in the reorganization.

ACCOUNTING TREATMENT

See the Detection and Correction of an Error topic in Methodology

RELATED TOPICS

Jurisdictional ***Assessed Values***

Jurisdictional Changes

Flow Chart – Tax Rate Area Processing page 8

Exhibit A
(Provided by BOE)

Tax Rate Area Data Tables

The data tables are in simple xml format with a node and a value. This allows for import into databases and most tables will import into Microsoft Excel. The following are significant changes from the data tables provided to counties in prior years.

- **Filing numbers** are formatted as 4 character year, a dash and a sequential number. The sequential number reflects the order in which filings were accepted and logged into the system by Tax Area Services Section (TASS).
- **District numbers** known as d_code are formatted to 4 characters (previously 3 characters.)
- **parent_code** is a new district field and designates what the parent district number is for a district.
- **countywide** is a new district field and designates the district as being county wide.
- **FileNumCancel** is a new field for both Maps and Districts which is the filing number that dissolves use of this map or district. It is similar to the FileNumCancel field in the TRA table.
- **tblDistrictsPRIWide** is a new table to designate districts that are one or more TRA primaries wide.

The tables provided are as follows:

<u>Table Name</u>	<u>Fields</u>
tblTRAs =	co, TRA, FileNumRoll, FileNumCancel
tblTRAMaps =	co, TRA, map
tblTRADists =	co, TRA, d_code
tblMaps =	co, map, mapsize, issue_date, FileNumCancel
tblDistricts =	co, d_code, district, dist_type, parent, joint, fund_num, parent_code, countywide, FileNumCancel, citycode, transcode
tblDistrictsPRIWide =	co, d_code, pri

Exhibit A
(Provided by BOE)

Table and Field Definitions

tblTRAs: Tax Rate Area information = co: county number, TRA: TRA number, FileNumRoll: filing number that added this TRA, FileNumCancel: filing number that dissolves this TRA.

tblTRAMaps: Relationship between TRA and Map (This TRA is in this Map) = co: county number, TRA: TRA number, map: name of map.

tblTRADists: Relationship between TRA and District (This TRA is in this District) = co: county number, TRA: TRA number, d_code: district number.

tblMaps : Map information = co: county number, map: name of map, mapsize: letter designation of map size, issue_date: date of issue, FileNumCancel: filing number that dissolves the use of this map.

tblDistricts: District information = co: county number, d_code: district number, district: name of district, dist_type: number designation of type of district, parent: designation that this is a parent district, joint: designation that this is a joint district, fund_num: number of the fund this district belongs too, parent_code: parent district number, countywide: county wide designation, FileNumCancel: filing number that dissolves district, citycode: city code for districts that are of type city, transcode: another code for districts of type city. (*citycode and transcode are used by the Board of Equalization, Sales and Use Tax Divisions only. These 2 fields do not relate to property taxes.*)

tblDistrictsPRIWide: Districts that are one or more TRA primaries wide = co: county number, d_code: district number, pri: TRA primary number

For questions about corrections, contact:

Ralph Davis
Phone: (916) 274-3257
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e-mail to ralph.davis@boe.ca.gov

or

TASS@boe.ca.gov
Board of Equalization
Tax Area Services Section
P.O. Box 942879
Sacramento, CA 94279-0059
TASS Office Central: (916) 274-3250

Exhibit B
(Provided by BOE)

CONAMES FILE WITH SAMPLE DATA

co	co_name	Combined field
01	Alameda	01 Alameda
02	Alpine	02 Alpine
03	Amador	03 Amador
04	Butte	04 Butte
05	Calaveras	05 Calaveras
06	Colusa	06 Colusa
07	Contra Costa	07 Contra Costa
08	Del Norte	08 Del Norte
09	El Dorado	09 El Dorado
10	Fresno	10 Fresno
11	Glenn	11 Glenn
12	Humboldt	12 Humboldt
13	Imperial	13 Imperial
14	Inyo	14 Inyo
15	Kern	15 Kern
16	Kings	16 Kings
17	Lake	17 Lake
18	Lassen	18 Lassen
19	Los Angeles	19 Los Angeles
20	Madera	20 Madera
21	Marin	21 Marin
22	Mariposa	22 Mariposa
23	Mendocino	23 Mendocino
24	Merced	24 Merced
25	Modoc	25 Modoc
26	Mono	26 Mono
27	Monterey	27 Monterey
28	Napa	28 Napa
29	Nevada	29 Nevada
30	Orange	30 Orange
31	Placer	31 Placer
32	Plumas	32 Plumas
33	Riverside	33 Riverside
34	Sacramento	34 Sacramento
35	San Benito	35 San Benito
36	San Bernardino	36 San Bernardino
37	San Diego	37 San Diego
38	San Francisco	38 San Francisco
39	San Joaquin	39 San Joaquin

Exhibit B
(Provided by BOE)

CONAMES FILE WITH SAMPLE DATA

co	co_name	Combined field
40	San Luis Obispo	40 San Luis Obispo
41	San Mateo	41 San Mateo
42	Santa Barbara	42 Santa Barbara
43	Santa Clara	43 Santa Clara
44	Santa Cruz	44 Santa Cruz
45	Shasta	45 Shasta
46	Sierra	46 Sierra
47	Siskiyou	47 Siskiyou
48	Solano	48 Solano
49	Sonoma	49 Sonoma
50	Stanislaus	50 Stanislaus
51	Sutter	51 Sutter
52	Tehama	52 Tehama
53	Trinity	53 Trinity
54	Tulare	54 Tulare
55	Tuolumne	55 Tuolumne
56	Ventura	56 Ventura
57	Yolo	57 Yolo
58	Yuba	58 Yuba
SAMPLE DATA		
60	Oz	60 Oz
61	Never Never Land	61 Never Never Land

Exhibit C
(Provided by BOE for Each County – This is Sample Data)

SAMPLE TRADists FILE

co	tra	d_code
60	002-114	001
60	002-114	005
60	002-114	007
60	002-114	008
60	002-114	010
60	002-114	011
60	002-114	012
60	002-114	015
60	002-114	017
60	002-114	018
60	050-001	003
60	050-001	007
60	050-001	008
60	050-001	010
60	050-001	011
60	050-001	012
60	050-001	013
60	050-001	015
60	050-001	017
60	050-001	018
60	086-020	005
60	086-020	007
60	086-020	008
60	086-020	010
60	086-020	011
60	086-020	012
60	086-020	013
60	086-020	015
60	086-020	017
60	086-020	018
60	092-001	002
60	092-001	006
60	092-001	009
60	092-001	010
60	092-001	011
60	092-001	012
60	092-001	013
60	092-001	017
60	096-001	004
60	096-001	006
60	096-001	009
60	096-001	010
60	096-001	011
60	096-001	012
60	096-001	013
60	096-001	017

Exhibit D
(Provided by BOE for Each County – This is Sample Data)
SAMPLE DISTRICTS FILE

d_code	district	co	dist_type	parent	joint	fund_num
001	Emerald City	60	01	TRUE	FALSE	0760
002	Captain Hook Elem Sch JT(60,61)	60	02	FALSE	TRUE	4802
003	Lion Elem School	60	02	FALSE	FALSE	7502
004	Lost Boys Elem Sch JT(60,61)	60	02	FALSE	TRUE	4801
005	Munchkin Elem School	60	02	FALSE	FALSE	7501
006	Princess Tiger Lily High Sch JT(60,61)	60	03	TRUE	TRUE	4803
007	Winged Monkeys High School	60	03	TRUE	FALSE	8201
008	Great Wizard College	60	05	TRUE	FALSE	9601
009	Peter Pan Community College JT(60,61)	60	05	TRUE	TRUE	4810
010	Scarecrow Cemetery District	60	11	TRUE	FALSE	3270
011	Poppy Field RCD	60	12	TRUE	FALSE	4500
012	County Flood Zone	60	15	TRUE	FALSE	2400
013	Tin Man Fire Protection	60	21	TRUE	FALSE	2280
014	Auntie Em Library District	60	38	TRUE	FALSE	0800
015	Yellow Brick Road	60	45	TRUE	FALSE	2610
016	Toto Sanitation District	60	61	TRUE	FALSE	3500
017	Guardian Transit District	60	67	TRUE	FALSE	4090
018	Good Witch Water District	60	71	TRUE	FALSE	3050

Oz County has added the district master file fund numbers to this file. BOE provides the blank field but does not maintain fund number files.

Exhibit E
(Provided by BOE)
SAMPLE DISTYPE FILE

dist_type	dist_cat
00	UTILITIES
01	CITY
02	ELEM. SCHOOL
03	HIGH SCHOOL
04	UNIFIED SCHOOL
05	COMM. COLLEGE
06	CITROUS PEST AB
07	MOSQ & VECTOR CONTRL
08	MUN AQUIS & IMP
09	AIRPORT
10	BRIDGE
11	CEMETERY
12	RESOURCE CONSV.
13	WATER CONSV.
14	AIR QUALITY MGMT.
15	FLOOD CONTROL
16	PEST CONTROL
17	CO/TWNSP BOUND.
18	DRAINAGE
19	STORM DRAINAGE
20	COMM FACILITIES
21	FIRE PROTECTION
22	FINANCING
23	GARBAGE
24	HEALTH
25	HIGHWAY
26	HOSPITAL
27	DRAINAGE IMP.
28	MUNICIPAL IMP.
29	RESORT IMP.
30	ROAD IMPROVE.
31	COMM SERV. IMP
32	SANIT. IMP.
33	P.U.D. IMP.
34	WATER IMP.
35	IRRIGATION
36	LANDSCAPE/LIGHT
37	LEVEE
38	LIBRARY
39	HWY. LIGHTING
40	FLOOD MAINT.

Exhibit E
(Provided by BOE)
SAMPLE DISTYPE FILE

dist_type	dist_cat
41	COUNTY MAINT.
42	DRAIN. MAINT.
43	MUN LIGHT MAINT
44	MISC. MAINT.
45	ROAD MAINT.
46	SEWER MAINT.
47	PEDESTRIAN MALL
48	MEMORIAL
49	OPEN SPACE
50	REGIONAL PARK
51	PARKING
52	POLICE
53	PORT & HARBOR
54	PROTECTION
55	RECLAMATION
56	PARK & REC
57	REDEVELOPMENT
58	ROAD-PERMANENT
59	ROAD-CO/SUPVR
60	SANITARY
61	SANITATION
62	SANITATION AGENCY
63	SEPARAT.-GRADE
64	COMM. SERVICE
65	COUNTY SERVICE
66	SEWER
67	TRANSIT
68	MUNI UTILITY
69	PUBLIC UTILITY
70	WATER AGENCY
71	WATER
72	COUNTY WATER
73	METRO WATER
74	MUNICIPAL WATER
75	WATER REPLENISH.
76	WATER STORAGE
77	WATER-MISC.
78	STATE SCHOOL AID
79	(NOT IN USE)
80	WATERWORKS
81	NON REV. DIST.

Exhibit F
(Provided by BOE)
SAMPLE DISTRICT MASTER FILE

TRA	DISTRICT NAME	FUND	ALLOCATION FACTOR	PRIOR ALLOCATED TAXES
002 - 114	County General Fund	0001	22.18550244	95,687
002 - 114	Emerald City	0760	13.27796591	57,268
002 - 114	County Flood Zone	2400	.30146089	1,300
002 - 114	Yellow Brick Road	2610	1.29207864	5,573
002 - 114	Good Witch Water District	3050	.38844845	1,675
002 - 114	Scarecrow Cemetery District	3270	.29901587	1,290
002 - 114	Guardian Transit District	4090	.26940064	1,162
002 - 114	Poppy Field RCD	4500	.00000000	0
002 - 114	Munchkin Elem School	7501	23.20829640	100,098
002 - 114	Winged Monkeys High School	8201	16.89413840	72,865
002 - 114	Great Wizard College	9601	5.90289370	25,459
002 - 114	Co School Service Fund	9801	4.06617970	17,538
002 - 114	ERAF	9802	11.91461896	51,388
	TOTAL		100.00000000	431,303
050 - 001	County General Fund	0001	22.53550244	7,200
050 - 001	Tin Man Fire Protection	2280	12.92796591	16,416,000
050 - 001	County Flood Zone	2400	.35146089	17,280,000
050 - 001	Yellow Brick Road	2610	1.29207864	18,792,000
050 - 001	Good Witch Water District	3050	.33844558	21,960,000
050 - 001	Scarecrow Cemetery District	3270	.29901587	23,544,000
050 - 001	Guardian Transit District	4090	.26940064	29,448,000
050 - 001	Poppy Field RCD	4500	.00000287	32,400,000
050 - 001	Lion Elem School	7502	23.20829640	54,014,400
050 - 001	Winged Monkeys High School	8201	16.89413840	59,047,200
050 - 001	Great Wizard College	9601	5.90289370	69,127,200
050 - 001	Co School Service Fund	9801	4.06617970	70,567,200
050 - 001	ERAF	9802	11.91461896	70,574,400
	TOTAL		100.00000000	483,177,600
086 - 020	County General Fund	0001	22.18550244	3,269
086 - 020	Tin Man Fire Protection	2280	13.27796591	7,452,841
086 - 020	County Flood Zone	2400	.30146089	7,845,096
086 - 020	Yellow Brick Road	2610	1.29207864	8,531,542
086 - 020	Good Witch Water District	3050	.38844845	9,969,810
086 - 020	Scarecrow Cemetery District	3270	.29901587	10,688,943
086 - 020	Guardian Transit District	4090	.26940064	13,369,351
086 - 020	Poppy Field RCD	4500	.00000000	14,709,555
086 - 020	Munchkin Elem School	7501	23.20829640	24,519,194
086 - 020	Winged Monkeys High School	8201	16.89413840	26,807,347
086 - 020	Great Wizard College	9601	5.90289370	31,383,653
086 - 020	Co School Service Fund	9801	4.06617970	32,037,411
086 - 020	ERAF	9802	11.91461896	32,040,680
	TOTAL		100.00000000	219,358,692

Exhibit F
(Provided by BOE)
SAMPLE DISTRICT MASTER FILE

TRA	DISTRICT NAME	FUND	ALLOCATION FACTOR	PRIOR ALLOCATED TAXES
092 - 001	County General Fund	0001	30.34034264	1,235
092 - 001	Tin Man Fire Protection	2280	17.57347127	2,815,207
092 - 001	County Flood Zone	2400	.34825776	2,963,376
092 - 001	Yellow Brick Road	2610	.00000000	0
092 - 001	Scarecrow Cemetery District	3270	.53867984	4,037,600
092 - 001	Guardian Transit District	4090	1.46434675	5,050,087
092 - 001	Poppy Field RCD	4500	.00001612	5,556,330
092 - 001	Captain Hook Elem Sch JT(60,61)	4802	24.82426845	5,929,221
092 - 001	Princess Tiger Lily High Sch JT(60,61)	4803	18.92215838	5,930,456
092 - 001	Peter Pan Community College JT(60,61)	4810	5.98845879	5,939,099
	TOTAL		100.00000000	38,222,611
096 - 001	County General Fund	0001	30.34034264	826
096 - 001	Tin Man Fire Protection	2280	17.57347127	1,883,029
096 - 001	County Flood Zone	2400	.34825776	1,982,136
096 - 001	Yellow Brick Road	2610	.00000000	0
096 - 001	Scarecrow Cemetery District	3270	.53867984	2,700,660
096 - 001	Guardian Transit District	4090	1.46434675	3,377,890
096 - 001	Poppy Field RCD	4500	.00001612	3,716,505
096 - 001	Lost Boys Elem Sch JT(60,61)	4801	24.33426845	3,965,098
096 - 001	Princess Tiger Lily High Sch JT(60,61)	4803	18.98715838	3,966,750
096 - 001	Peter Pan Community College JT(60,61)	4810	6.41345879	3,972,531
	TOTAL		100.00000000	25,565,425

Exhibit G
(Provided by BOE)
STRING CODE EXAMPLE

tra	d_code	district	string code example
002-114	001	Emerald City	001005007008010011012015017018
002-114	005	Munchkin Elem School	
002-114	007	Winged Monkeys High School	
002-114	008	Great Wizard College	
002-114	010	Scarecrow Cemetery District	
002-114	011	Poppy Field RCD	
002-114	012	County Flood Zone	
002-114	015	Yellow Brick Road	
002-114	017	Guardian Transit District	
002-114	018	Good Witch Water District	
050-001	003	Lion Elem School	003007008010011012013015017018
050-001	007	Winged Monkeys High School	
050-001	008	Great Wizard College	
050-001	010	Scarecrow Cemetery District	
050-001	011	Poppy Field RCD	
050-001	012	County Flood Zone	
050-001	013	Tin Man Fire Protection	
050-001	015	Yellow Brick Road	
050-001	017	Guardian Transit District	
050-001	018	Good Witch Water District	
086-020	005	Munchkin Elem School	005007008010011012013015017018
086-020	007	Winged Monkeys High School	
086-020	008	Great Wizard College	
086-020	010	Scarecrow Cemetery District	
086-020	011	Poppy Field RCD	
086-020	012	County Flood Zone	
086-020	013	Tin Man Fire Protection	
086-020	015	Yellow Brick Road	
086-020	017	Guardian Transit District	
086-020	018	Good Witch Water District	
092-001	002	Captain Hook Elem Sch JT(60,61)	002006009010011012017
092-001	006	Princess Tiger Lily High Sch JT(60,61)	
092-001	009	Peter Pan Community College JT(60,61)	
092-001	010	Scarecrow Cemetery District	
092-001	011	Poppy Field RCD	
092-001	012	County Flood Zone	
092-001	017	Guardian Transit District	
096-001	004	Lost Boys Elem Sch JT(60,61)	004006009010011012013017
096-001	006	Princess Tiger Lily High Sch JT(60,61)	
096-001	009	Peter Pan Community College JT(60,61)	
096-001	010	Scarecrow Cemetery District	
096-001	011	Poppy Field RCD	
096-001	012	County Flood Zone	
096-001	013	Tin Man Fire Protection	
096-001	017	Guardian Transit District	

AB8 Process Section
Chapter D-2

JURISDICTIONAL CHANGES

- Part 1: Jurisdictional Changes (R&T Code §99)
- Part 2: Thompson Unification (Ed Code §35542)
- Part 3: TRA Consolidation (R&T Code §95(g))
- Part 4: Apportionment of Expenses and Billing (Gov Code §§56381 & 56381.6)
- Part 5: City Incorporation (Gov Code §§56375 & §56810)
- Part 6: Auditor-Controller Responsibilities
- Part 7: Boundary Exchange Between Counties (Gov Code §§23200 - 23295)

PART 1 JURISDICTIONAL CHANGES

INTRODUCTION

A ***jurisdictional change*** occurs when a taxing entity's boundaries change. A taxing entity usually initiates the process through the ***Local Agency Formation Commission (LAFCO)***, with few exceptions as discussed below. All jurisdictional changes must be submitted to the State ***Board of Equalization (BOE)*** with the exception of the special assessment districts and Zone of Benefits that do not require submission of their changes to BOE unless they are on file with the BOE. The BOE maintains an official list of tax entities within a geographical area known as a ***Tax Rate Area (TRA)***.

A TRA is a geographical area comprised of a unique combination of taxing agencies and debt service funds. Each TRA has a set of factors equaling one hundred percent (100%) which are used to allocate TRA incremental increase or decrease from growth in the levy. These factors generally do not change unless one of the following occurs: a negotiated property tax exchange agreement initiated by the affected ***jurisdictions***, mandated legislative ***tax shifts***, or ***TRA consolidations***.

MAIN TOPIC

The ***Cortese-Knox Act*** of 1985 established a LAFCO in each county, with a basic purpose and authority to promote controlled and logical growth of local public agencies and delivery of the services provided. This includes controlling city ***annexations*** and ***incorporations***, the proliferation of ***special districts*** and also to define and control the ***spheres of influence*** of local districts. Among the purposes of LAFCOs are the discouragement of urban sprawl and the encouragement of the orderly ***formation*** and development of local agencies. With some exceptions, all city incorporations and annexations, ***detachments***, formations, and ***dissolutions*** of cities and special districts are considered by LAFCO.

1. Non-School Jurisdictional changes processed through LAFCO include the following types: annexation, detachment, reorganization, dissolution of district, merger or consolidation,

formation of new special district, and city incorporation. These changes will normally involve a transfer of tax dollars and/or **TRA allocation factors**. A copy of the governing board's action must be submitted to the Auditor, Assessor, LAFCO, and BOE.

2. Jurisdictional changes that **are not** processed through LAFCO are school boundary changes, school **Unification**, creation, dissolution, or amendment **of a redevelopment project**, city's special district subsidiary district formations and changes in boundary, County **Service Area (CSA) Zone of Benefits (ZOB)** formations for an area already within a CSA's boundaries.

These changes may or may not involve a transfer of tax dollars or TRA allocation factors. A copy of the governing board's action must be submitted to the Auditor, Assessor, and BOE. The resulting resolutions and approved actions are filed with the BOE in accordance with Government (Gov) Code §54000 et seq. on or before December 1st in order to be effective on the tax roll for July 1st of the ensuing tax year.

NOTE: Certain Special Assessment districts and ZOB boundaries are not mapped or controlled by LAFCO, the Assessor, or the BOE and do not affect the **tax structure**. However these districts may, at their option, file with the BOE and will be input on the BOE's tax structure. Please note there is no requirement for the County to place these types of districts on their internal tax structure. These districts are as follows:

- 1915 Act Improvement District (Streets & Highway Code §8500 et seq.)
- 1911 Act Improvement District (Streets & Highway Code §5000 et seq.)
- 1913 Act Municipal Improvement District (Streets & Highway Code §10000 et seq.)
- 1972 Landscape and Lighting Act District (Streets & Highway Code §22500 et seq.)
- **Mello-Roos Districts** (Gov Code §53311 et seq.)
- **Community Facility Districts** (Gov Code §53318 et seq., §53339 et seq., and §53340 et seq.)
- Miscellaneous Districts that levy per parcel charges in order to provide services such as sanitation, weed abatement, street maintenance, water availability, etc.

METHODOLOGY

A jurisdictional change may trigger a negotiated exchange of property tax revenues between the affected agencies if there is no master agreement for the property tax exchange in place. In the event that the property tax revenues are to be negotiated, the negotiating agency or LAFCO would request an estimate of property tax revenues attributable to each affected local agency from the Auditor. The fiscal impact request would typically include a list of parcels or a map and other relevant documentation. The Assessor will compile the corresponding **equalized** assessed values and TRAs. In most counties, the Auditor is responsible for computing the estimate property tax revenues available for negotiation as requested by LAFCO pursuant to Revenue & Taxation Code §99.

Once negotiations are completed and a resolution or ordinance containing the negotiated terms is adopted, it is recommended that the Auditor provide a "Statement of TRA Assignment" (Exhibit D, Page 20) to LAFCO for inclusion with LAFCO Certificate of Completion's package to the BOE. Upon acceptance by the BOE, the Auditor will receive a TRA Change Notice (Exhibit C) specifying the effective year and required TRA/district changes.

For most counties, the BOE has a list (known as the “**Yellow Sheet**”) of specific actions that must be included in LAFCO’s resolution. The BOE will provide a copy of the Yellow Sheet upon request. Examples of items that might be on the Yellow Sheet are:

1. An area being annexed to a city, which has its own fire department, should be detached from the district which previously provided fire protection.
2. A special district may have boundaries that are contiguous with the city limits; therefore, any annexation to the city would automatically be annexed to the district.
3. The county road fund may be specifically excluded from all cities in the county.

The steps in the jurisdictional change process are as follows:

1. District, property owner, or registered voter files application for change.
2. LAFCO provides a notice of the filing to the Assessor and Auditor.
3. Within 30 days of the notice of the filing, the Assessor provides the Auditor with a report identifying TRAs and their corresponding equalized assessed values of territory subject to jurisdictional change.
4. Within 45 days of the notice of the filing of an application or resolution, the Auditor shall:
 - a. Estimate the amount of property tax revenue generated within the area involving the proposed jurisdictional change
Estimate Property tax revenue = Equalized **assessed value X 1%**
 - b. Estimate what portion of the property tax revenue is attributable to each affected local agency from subject territory (multiply amount from “4a” times the TRA allocation factor of each jurisdiction). For those counties with **ERAF** at a jurisdictional level, the amount and allocation factor available for negotiation must be adjusted for ERAF.
 - c. Assign, if appropriate, the tax rate area for the affected area. (Exhibit D, Page 20)
 - d. Provide above data to LAFCO and affected agencies.
5. For newly incorporated city or the formation of a new district the calculation for base tax is governed by Gov Code §56842 et seq. (Part 5 City Incorporation).
6. Counties have various procedures for negotiations. Counties, cities, and special districts may create standing **master agreements** in order to avoid negotiations with each annexation. Where Revenue and Taxation (R&T) Code §99 et seq. allows, some counties may base their negotiations on the exchange of **base revenue**; while others may negotiate only on future increment by restricting the negotiations to the **TRA allocation factors** used to distribute the future growth. The agreement may be revised from time to time by the parties subject to the agreement (R&T §99(d)).
7. Agencies have 60 days from the date of receipt of the notice the filing of an application or resolution of fiscal impact from the Auditor to negotiate a property **tax exchange**. If an agency involved in the negotiations notifies the other agencies, the Auditor, and LAFCO in writing of its desire to extend the negotiating period, the negotiating period shall be 90 days. The **negotiated agreements** must be adopted by resolution by each affected agency. Several different types of jurisdictional changes can occur, each with somewhat different criteria:
 - a. Jurisdictional changes required to be reviewed and approved by LAFCO:
 - o Jurisdictional changes where services have not been previously provided by any local agency (R&T §99.01)
 - The exchange of property tax among those local agencies shall be limited to property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies (R&T §99.01(a)(2)).
 - If a special district involved in the negotiation (other than the district which will provide services to the area) fails to adopt a resolution providing

- for the exchange of property tax revenue, the board of supervisors of the county in the area subject to the jurisdictional change is located shall determine the exchange for that special district. (R&T §99.01(a)(4)).
- The school districts' shares of property tax revenues are to remain in tact.
 - o Jurisdictional changes altering the area for which existing services are being provided by another local agency (R&T §99):
 - The exchange of property tax among those local agencies may be limited to property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies (R&T §99(b)(4)).
 - The school districts' shares of property tax revenues are to remain in tact.
 - In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district(s), negotiate any exchange of property tax revenues after consulting the affected district(s) (R&T §99(b)(5)).
 - o In the event that the commission modifies the proposal or its resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 30 days for the affected agencies to renegotiate an exchange of property tax revenues (R&T §99(b)(7)).
 - b. Jurisdictional changes altering the area of which existing services are being provided by another local agency which do not require approval or review by LAFCO (R&T §99(c)).
 - o Change of school boundary and School Unification (EC §35765) or annexation by a community college district of territory within an area not previously served by a community college district (R&T §99(j)).
 - o Allocation of property tax revenue for each local school district, community college district, or county superintendent of schools whose service area or service responsibility would be altered by the jurisdictional change in accordance to R&T §99(i).
 - o The County board of education shall determine the amount of property tax revenues to be exchanged by resolution if the affected districts, wholly within one county, are unable to agree to the amount of property tax revenues to be exchanged or for the affected districts with boundaries in more than one county within 60 days after the effective date of the jurisdictional change (R&T §99(i)(2)).
 - o In the event that the commission modifies the proposal or its resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 30 days for the affected agencies to renegotiate an exchange of property tax revenues (R&T §99(b)(7)).
 - c. Renegotiation of the existing negotiated agreement or transfers of revenue can be any time after the effective date of the jurisdictional changes by any of the local agencies party to the agreement with respect to the current fiscal year or subsequent fiscal years, subject to approval by all local agencies affected by the renegotiation (R&T §99(k) and R&T Code §99.02).

8. LAFCO notifies Auditor of completion of jurisdictional change no later than the date on which the certificate of completion of the jurisdictional change is recorded with the county recorder (Gov Code §57203 and §57204).
9. The Auditor's job is finished until the TRA Change Notice is received from the BOE. Listed below are the documents that the Auditor should have for all completed actions.
 - Notice of filing
 - Report of County Assessor
 - Notification by Auditor of estimated revenue and allocated share of 1%
 - Assignment of TRA to BOE through LAFCO
 - Resolutions of each negotiating party providing negotiated exchange agreement
 - Statement regarding treatment of existing debt, if applicable
 - Maps and legal description of affected area
 - Certificate of Completion
 - TRA Change Notice from BOE (Exhibit C)

The Auditor is responsible for making appropriate adjustments per negotiated agreements or per county school board's resolutions as explained below in the tax structure section.

Tax Structure

Each County maintains a tax structure master file that identifies, for each tax rate area, the following: the funds, the agencies, the TRA allocation factors, and the tax amounts to be used in the calculation of the **AB8 allocation**.

Counties update their tax structure master file at different times of the year. Some update as soon as TRA change notices are received. Others wait until the **Tax Rate Area Code Chart** (formerly known as the **Blue Line**) is received from the BOE. Some adjust the tax structure and make adjustments to revenue and **TRA allocation factors** later. Regardless of the sequence, the following procedures take place:

For each change that creates a new TRA, use the old TRA as a model to create the new TRA. Add or delete jurisdictions affected by boundary changes. Copy factors from the old TRA. Adjust base dollars and/or TRA allocation factors for affected jurisdictions according to negotiated agreements. To facilitate an accurate calculation of the **annual tax increment (ATI)**, it may be necessary to decrease the prior year assessed value of the parent TRA(s) and to create a prior year value for the new TRA(s) (Exhibit A).

Note: Unsecured assessed values need to be transferred and accounted for the first year of which the property tax exchange occurs.

If applicable, documentation from LAFCO should include a statement determining whether the affected area will be liable for any existing debt. Update the tax structure accordingly.

The Superintendent of Schools should provide all new bond information before completion of the tax structure and prior to equalization of the tax roll.

Once the tax structure is correct (see "Note" below), the Assessor has turned over the roll to the Auditor, and the utility roll has been received from the BOE, the Auditor can set tax rates and prepare the roll for extension.

Note: Using district values, there are various ways to validate that the tax structure is complete. Look for combinations of funds that can be used. For example, in some counties the assessed value of the road fund should equal that of the unincorporated area in the county. In some counties, elementary schools totals plus unified schools total will equal the county general fund amount. Perhaps the sum of all flood control districts should equal county general fund. If a district is divided into zones, the sum of all zones should equal the district total. Superintendent of Schools should equal county general fund. With some exceptions, a school bond fund should equal the school general fund. It is highly important that each county auditor have a set of quality-control procedures to ensure the accuracy of their tax structure master file.

RELATED TOPICS

Annual **AB8** Calculations

New **Redevelopment** areas will create or modify existing TRAs.

Assessed Value reporting:

- a) State report (R-822) values inside and outside cities.
- b) Reporting to taxing jurisdictions.
- c) RDA incremental reports.
- d) Tax rate calculation.

AB8 Process Section Chapter D-1 District Master File, Tax Rate Area Chart

Part 2 THOMPSON UNIFICATION

INTRODUCTION

Education Code §35542 provides for a merger of ***coterminous*** elementary and high school districts into a new unified district and allows an exclusion for a feeder elementary school if approved by the State Board of Education.

MAIN TOPIC

A unified school district is created by merging elementary school districts and a high school district that have contiguous boundaries. The elementary and high school districts are dissolved when the unified district is created.

Recently an exception to this simple procedure has emerged and is known as a “***Thompson Unification***”. Under a Thompson Unification, a participating elementary school district(s) is not dissolved and continues to operate and receive revenues. After unification, the elementary school district is subject to bonds issued by the unified school for high school facilities only. The elementary district can issue its own bonds and is excluded from any bond levy issued by the unified district for elementary school facilities.

METHODOLOGY

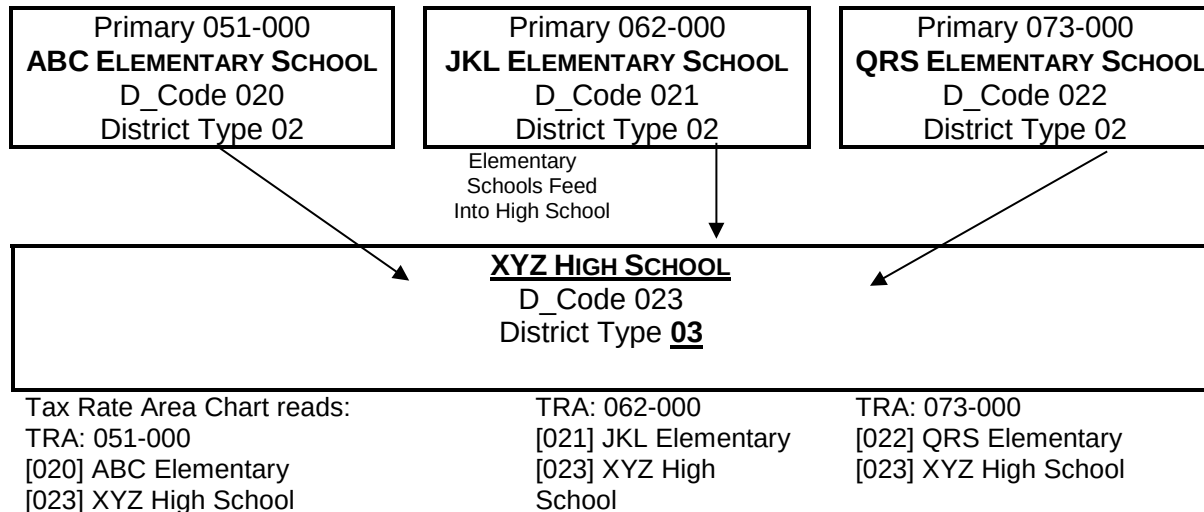
BOE has always identified school districts by using a unique primary code in the unincorporated area. Primary codes are the first three digits of a tax rate area. In the past, when elementary and high school districts have unified, a new primary number was assigned for the unified district and all previous primary numbers were deleted for the areas outside cities.

A change in methodology had to be created to accommodate the Thompson Unification. The unified district will be created and the high school district deleted. For the master tax structure, a name change from high school to unified school is all that is necessary to do. The affects on the elementary districts are shown on the following example.

Thompson Unified (SB1537) Example

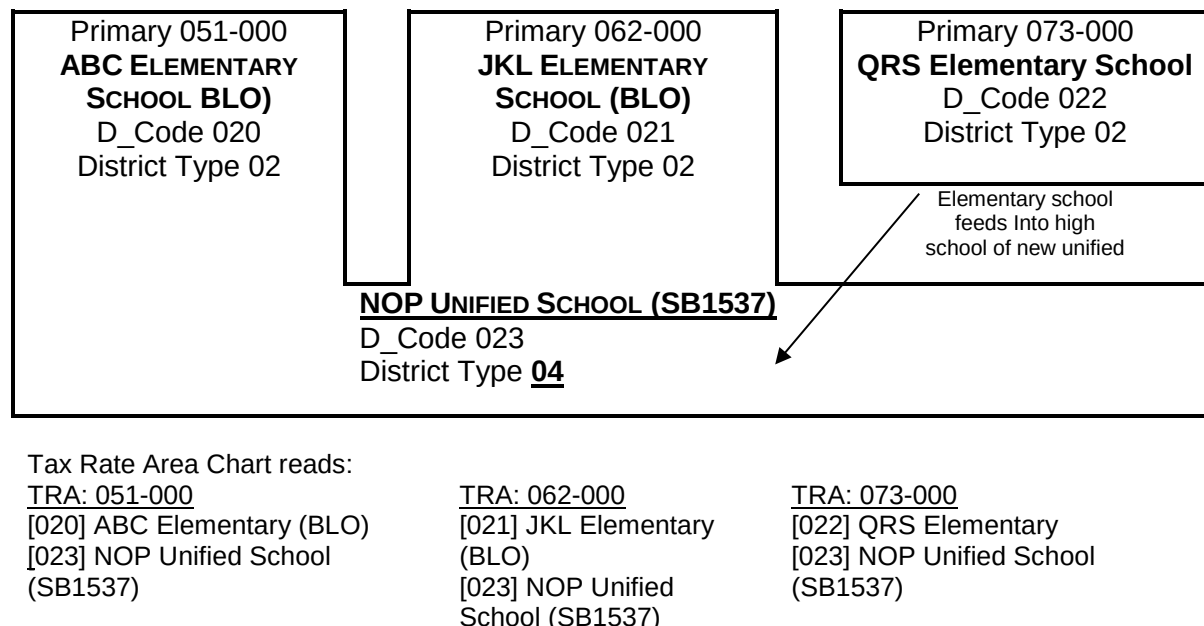
Before

Elementary schools ABC, JKL and QRS are feeder schools to XYZ High School. Schools ABC, JKL and XYZ vote to unify and form NOP Unified School. Under Education Code §35542, elementary QRS chooses not to unify but will remain a feeder school to the high school of the new unified.



AFTER

The tax rate areas of the original elementary schools are retained; primary and secondary numbers do not change. Elementary schools that do unify become a BLO (Bond Levy Only). The high school becomes Unified School (SB1537) and changes from a district type 03 (High School) to type 04 (Unified School). The elementary that does not unify remains the same. The Thompson Unified (SB1537) must show two school entities instead of one as reflected in a normal unification, and will cross multiple primary lines in unincorporated territory.



Part 3 TRA CONSOLIDATION

INTRODUCTION

Many counties have consolidated tax rate areas. The purpose of **Tax Rate Area (TRA) consolidation** is to eliminate the proliferation of TRAs. Consolidation is done by identifying tax rate areas for which agencies and debt are identical. Base dollars are combined into fewer TRAs, and allocation factors are adjusted accordingly.

MAIN TOPIC

The State **Board of Equalization (BOE)** will provide a list of **look-alike TRAs** upon request (Exhibit B). Revenue and Taxation (R&T) Code §95(g) contains the mandatory requirements for conducting a TRA consolidation. Note that R&T Code §95(g) and the look-alike list do not take debt, tax increment factors or non-taxing agencies into account. The county may desire to review this information when making the decision of whether or not to combine TRAs. Some counties combine only TRAs with matching funds and matching allocation factors. Other counties combine TRAs with matching funds and do a weighted average of the allocation factors. It is a county management decision whether to include TRAs that do not have matching **TRA allocation factors**.

METHODOLOGY

It is advisable for the Auditor to work closely with the Assessor in advance of consolidating to minimize re-mapping efforts. For instance, create a review plan with your Assessor. Generally, look at the number of parcels in each TRA to determine which TRA to keep to create the least amount of work for all involved.

Once consolidated TRAs have been identified, the Auditor transmits data delineating consolidated TRAs and TRAs to be deleted to the BOE. BOE will do final verification and provide Auditor and Assessor with TRA change notices.

The BOE has provided a document “Consolidation of Existing Tax Rate Areas”, which delineates the consolidated process (Exhibit D).

Note: If there are TRAs which must be kept intact regardless of the opportunities for consolidation, you should contact the BOE and request that they add these “special circumstance TRAs” to their yellow sheet. This will provide the BOE with a TRA monitoring mechanism to prevent any modification of these TRAs without first consulting with the County Auditor-Controller.

Also provided is an overview of the BOE and the Tax Rate Area System that includes related constitutional and statutory provisions extracted from the California Law Desk area of the Official California Legislative Information internet site <http://leginfo.public.ca.gov> (Exhibit E).

Part 4

APPORTIONMENT OF EXPENSES AND BILLING

INTRODUCTION

Sections 56381 and 56381.6 of the California Government (Gov) Code provide that the ***Local Agency Formation Commission (LAFCO)*** shall adopt annually a final budget by June 15. After adoption of a final budget by the Commission, the Auditor shall apportion the net operating expenses of the LAFCO Commission and request payment annually no later than July 1.

MAIN TOPIC

Several methods of ***apportionment*** are outlined in Gov Code §56381 and §56381.6. The county, cities, and independent ***special districts*** represented on the Commission shall each provide a prorated share of the operational costs of the Commission. The LAFCO Commission may also adopt any alternative cost apportionment procedure.

METHODOLOGY

After apportionment of the costs is determined, no later than July 1 of each year the Auditor shall request payment from the Board of Supervisors and from each city and each independent special district for the amount that entity owes and the actual administrative costs incurred by the Auditor in apportioning costs and requesting payment from each entity.

If payment is not received within 60 days, LAFCO may request that the Auditor provide written notice to the delinquent agency(s) and appropriate the amount due from tax revenues or other revenues.

Part 5 CITY INCORPORATION

LOCAL AGENCY FORMATION COMMISSION RESPONSIBILITIES

INTRODUCTION

The **Local Agency Formation Commission (LAFCO)** is created under the 1963 statute for local government. As the state-mandated quasi-judicial countywide agency, LAFCO is empowered for the purposes of reviewing and approving or disapproving with or without amendments, wholly, partially, or conditionally, of the proposed plan for changes in **jurisdiction** such as change of organization, **reorganization** or city **incorporation**. LAFCO's responsibilities and roles, as an intermediary, facilitator, and regulator, are prescribed under the Government (Gov) Code §56375. The administrator for LAFCO is Executive Officer who is appointed by the LAFCO Board members (Commission). The passage of the **Cortese-Knox-Hertzberg** Local Government Reorganization Act of 2000 (Gov Code §56000 et. seq) marked the most significant reform to local government reorganization law, which in part requires LAFCO to review and update the **Spheres of Influence** for all cities and special districts every five years.

LAFCO, as regulating agency, must have its information available to the public such as:

- Comprehensive policies, procedures, and guidelines for the incorporation process
- Standard application form
- Submission requirements
- Schedule of fees
- Schedule of processing times
- Review standard

MAIN TOPIC

Incorporation would give residents of the area local control of government functions allowing them to make decisions over municipal services such as police and fire protection, roads, planning and zoning, and other local issues, and fiscal independence from the county. City incorporation can be initiated by resolution of a county board of supervisors or by a petition of an incorporation committee of registered voters in the proposed area. The incorporation committee or a legislative body seeking support from the county Board of Supervisors for incorporation should consult with LAFCO about the incorporation process and its requirements. Consultation with LAFCO in the early stage of the proposed incorporation will prevent delays or rejections of the incorporation application.

An incorporation application to the LAFCO Executive Officer should include all of the following information:

1. A certified petition by registered voters or a resolution of application by the legislative body;
2. A statement of the purpose;
3. A map and legal description of the proposed boundaries;
4. Initial feasibility analysis plan for providing services and spheres of influence;

5. Payment of fees or agreement for payment;
6. The names of the contact persons who are to be furnished with copies of LAFCO report and to be given mailed notice of the hearing.

METHODOLOGY

LAFCO Proceeding

The LAFCO process begins upon the filing of an application for the proposed incorporation and payment of the scheduled fees with the agency.

Notification and Review (Gov Code §§56658 and 56661)

Once the application is submitted, LAFCO must perform the following:

1. A notification of the receipt of the application is sent to all interested parties and affected agencies.
2. LAFCO staff reviews the application and either accepts the application as complete or rejects the application as incomplete.
3. If the application is deemed complete, the executive officer will issue a certificate of filing, a copy to the applicant, and set the date for LAFCO's public hearing on the proposal.
4. LAFCO staff prepares and send notice of hearing and notice of preparation of a draft environmental impact report to the affected agencies and the applicant.
5. Copies of the executive officer's report are sent to affected agencies and the applicant prior to the hearing.

Executive Officer Report

The executive officer's report is prepared in accordance to Gov Code §56665 and included the following:

1. Evaluation of the application based on the Cortese-Knox-Hertzberg Act and LAFCO's policies and standards;
2. Draft Environmental Impact Report;
3. Comprehensive Financial Analysis pursuant to Gov Code §56800;
4. Revenue Neutrality.

Environmental Impact Report

The purpose of this report is to ensure that the incorporation proposal is in compliance with the provisions of the California Environmental Quality Act, which includes the sphere of influence, proposed boundary, government reorganization, and its municipal services plan.

Comprehensive Financial Analysis (CFA) (Gov Code §56800)

The purpose of the CFA is to determine the impacts of municipal services, property tax revenues and other governmental revenues as a result of the incorporation. Written requests

are sent to all agencies and school districts, which are currently serving the proposed incorporation area, for information such as verification of the existing levels of services, costs and revenues of the services within the proposed incorporation area. The collected information is used to establish the financial feasibility for the proposed incorporation area such as base year costs, revenues, transition service costs, and appropriation limit.

1. Base Year Costs, as prescribed under Gov Code §56800(a), is an estimate of actual costs to provide municipal level services to the proposed incorporation area of which the funding is funded by general purpose revenues. Base Year Costs are used to calculate revenue neutrality.
2. Revenues include:
 - a. The base property tax revenues allocation from the County General Fund to be transferred to the proposed city per Gov Code §56800(c). This amount is based on the total county net cost funded by the county general purpose revenues multiplied by the Auditor's ratio.
 - b. The base property tax revenues including the current fund balance (reserves) from the **special districts** that are dissolved as the result of the proposed city incorporation would be transferred to the proposed city upon dissolution. In the event that only portion of the affected special district is detached as the result of the proposed city incorporation, then only the portion of district's property tax revenues in the proposed city and a proportionate share of the fund balance are transferred to the proposed city upon detachment of its territory.
 - c. Estimate of future property transfer tax revenue amounts based on the estimate of the level of resale activity and new development in the proposed area.
 - d. Estimate of the revenues from existing special taxes and assessments if the existing agencies' services are being taken over by the proposed city incorporation.
 - e. Estimate of the sales tax revenues portion for the proposed city incorporation.
 - f. Estimate of the transient occupancy taxes revenues portion that were previously collected by the county from the hotels and motels located in the proposed city.
 - g. Estimate of the franchise fees and other related revenues.
 - h. Estimate the **Property Tax in Lieu of Vehicle License Fees (VLF)** revenues in accordance to the Revenue and Taxation (R&T) Code §11005.
3. Transition service cost is an estimate of the county net cost of services provided during the transition period which is from the effective date of incorporation to July 1st following the effective date.
4. **Appropriation limit** is the estimated amount of revenues to be received by the new city in its first full year of operations from all revenues such as property tax revenues and investment earnings from these revenues; proceeds from regulatory licenses, user fees and charges that exceed costs to cover services.

Revenue Neutrality Amount (Gov Code §56815)

The purpose of the revenue neutrality is to compensate the County for the losses of revenues from the proposed city incorporation area such as Sales taxes, property tax

increments, transient occupancy tax, property transfer tax, and others. Revenue neutrality ensures that the revenues received by the new city from the county and the affected agencies after the incorporation would be equal to the savings that the county and the affected agencies would achieve from not providing services to the incorporated area. The determination of amount and term is negotiable.

Commission Hearing (Gov Code §56666)

Upon completion of the review of the application and the executive officer's report, the Commission conducts public hearings on the proposal of incorporation for the purposes of:

1. Ensuring that the proposal is in compliance with the provisions of the California Environmental Quality Act;
2. Ensuring that information contained in the CFA is in compliance with Gov Code §56800;
3. Facilitating the Revenue Neutrality;
4. Public comments and inputs.

Commission Actions

After the conclusion of the public hearing, the Commission will either adopt a resolution of its approval, or conditionally approval, or denial of the proposal. Upon the Commission's actions, LAFCO must mail a copy of the resolution to all affected agencies and the applicant.

Affected agencies or citizens protesting the Commission's resolution must be in writing and filed with the executive officer within 30 days of the Commission's adoption of the resolution. Upon receiving the written protest, LAFCO will stop the incorporation process until the Commission has a public hearing on the matter. Within 30 days of the conclusion of the hearing on the matter, the Commission shall make a finding determination of facts and take either one of the following actions:

1. Terminate the incorporation process; or
2. Order the incorporation subject to confirmation of the majority of voters living within the proposed city

If the Commission adopted a resolution terminating the incorporation process; the applicant must wait at least one year after the adoption date of the resolution before resubmitting application for incorporation involving the same or similar to the proposed incorporation area. However, the Commission has the authority to waive the one-year waiting period if the waiting period is found to be detrimental to the public interest. (Gov Code §56884)

Issuance of the Certificate of Completion (Gov Code §57176)

Upon receiving the certified results of the election, the County Board of Supervisors is required to adopt a resolution certifying the election results and to forward a copy of the resolution to LAFCO. If the incorporation is approved, LAFCO Executive Officer will issue a Certificate of Completion to the applicant.

If the incorporation is rejected by a majority of registered voters within the proposed city area, the Commission must execute a Certificate of Termination proceedings (Gov Code §57179). Upon receiving the Certificate of Termination; the applicant must wait at least two years after the adoption date of the resolution before resubmitting an application for incorporation involving the same or similar proposed incorporation area. However, the Commission has the authority to waive the two-year waiting period if the waiting period is found to be detrimental to the public interest. (Gov Code §57090)

REFERENCES

LAFCO Incorporation Guidelines by the Governor's Office of Planning and Research
Guide to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 by
Assembly Committee on Local Government

Part 6 AUDITOR-CONTROLLER RESPONSIBILITIES

INTRODUCTION

The County Auditor-Controller's involvement in the city incorporation is in two phases, pre-incorporation and post incorporation.

Pre-incorporation: The Auditor-Controller's role is limited to the computation of the Auditor's Ratio for the proposed area.

Post-incorporation: The Auditor-Controller has a major role in the implementation of fiscal adjustments required for the incorporation.

MAIN TOPIC

Auditor's Ratio

Upon receiving a request for information from LAFCO for the proposed incorporation, the County Auditor-Controller shall compute the Auditor's Ratio.

The Auditor's Ratio is a percentage derived by dividing the property tax revenues allocated to each affected agency during the prior **fiscal year**, by all revenues received in the prior fiscal year by the affected agency for use on a discretionary basis for general purposes as prescribed under Gov Code §56810 (Exhibit F.1).

$$\text{Auditor's Ratio} = \text{Property tax revenues} \div \text{Total general purposes revenues}$$

In a case where the sphere of influence of the proposal includes a special district that will transfer a portion of its service responsibilities to the proposed incorporation, the County Auditor-Controller would also compute the Auditor's Ratio for the special district.

Property tax revenues, as prescribed under Revenue and Taxation (R&T) Code §93(b), does not include the Property Tax In-Lieu of Vehicle License Fees (VLF) under R&T Code §97.7. In general, the delinquent 10% penalty, delinquent cost and redemption penalties are excluded from the property tax revenues. However, the County Auditor-Controller may choose to include or exclude certain revenue types as applicable to the county policy.

Post Incorporation

Adjustments to the Base Property Tax Revenues Allocation

In accordance with Gov Code §56810(c)(3), the agreed base property tax revenue allocation of the new city is to be adjusted for the **annual tax increments** from the fiscal year of which the base property tax revenues allocation was determined to the first year in which the new city is to receive its initial allocation of property tax revenues.

1. Base property tax revenues = Base year cost x the Auditor's Ratio
2. Adjusted base property tax revenues = Base property tax revenues + Annual tax increments

METHODOLOGY

The following are steps for computation of the annual increments amount as an adjustment to the new city's base property tax revenues.

1. Computation of the AB8 Factor for the new city

The **AB8 factor** of the new city for each new **Tax Rate Area (TRA)** is based on the base property tax revenues allocation and the base year assessed value of all properties within the boundary of the incorporation area. The steps to compute the new city's AB8 factor for each new TRA are as follows: (Exhibit F.2 and Exhibit F.3).

- a. Compute the base year 1% revenues from the base year assessed values for each existing TRA within the incorporation area.

Base year 1% revenues = 1% x the base year assessed values

- b. Compute the revenues portion of the taxing entities that are affected by the city incorporation for each existing TRA within the incorporation area.

Affected revenues portion =
Base year 1% revenues x AB8 factor of the affected taxing entities

- c. Compute the property tax revenue allocation ratio for the new city.

Property tax revenues allocation ratio =
Base property tax transfer amount ÷ the sum of the affected revenues amount

- d. Compute the TRA revenues amount to be transferred from the affected taxing entities to the new city.

New City Revenues = Transfer ratio x TRA's affected revenues amount

- e. Compute the new city's TRA AB8 factor

New City AB8 factor = New City revenues ÷ TRA's affected revenues amount.

2. Computation of the adjusted AB8 Factor for the affected taxing entities

The AB8 factor of the affected taxing entities as applicable for the new TRA is to be adjusted for the AB8 factor of the new city (Exhibit F.4).

Adjusted TRA AB8 factor = Existing TRA AB8 factor - New city TRA AB8 factor

3. Computation of the annual tax increment for adjustments to the base property tax

The annual tax increment is to be computed for the period of the base fiscal year of the incorporation to the effective date of the incorporation in accordance with R&T Code §95. The steps to compute the new city AB8 allocation factor for each new TRA are as follows (Exhibit F.5):

- a. Determine the period for which the tax increment is to be computed,

- b. Determine the Incremental of equalized values for the period,
- c. Compute the annual tax increment amount.

Implementation of BOE Changes

Based on the information indicated on the **Board of Equalization (BOE)** TRA Change Notice, use the identified existing TRAs as base model for the new TRAs (Exhibit F.6 and Exhibit F.7).

1. Add or delete **jurisdictions** affected by city incorporation.
2. Copy AB8 factors of the taxing entities that are not affected by the incorporation from the identified existing TRAs to the new TRAs.
3. Add AB8 factors for the new City.
4. Change AB8 factors for the affected taxing entities.

For the first year of city incorporation, the current year **equalized roll** values of the new TRAs should be adjusted for inclusion of the equalized unsecured values.

Implementation of Revenue Neutrality

The County Auditor-Controller is designated to manage the receipt of the revenue neutrality payments from the new city in accordance with the terms and conditions that are set forth in the LAFCO resolution.

RELATED TOPICS

Annual AB8 Calculation
Jurisdictional Changes

PART 7 BOUNDARY EXCHANGE BETWEEN COUNTIES

Introduction

A county boundary exchange is permissible under the Government (Gov) Codes §§23200 and 23230. A boundary exchange between counties is used when the existing boundaries of a county no longer meet the needs of the residents and landowners.

Main Topic

A county boundary exchange process is not under the authority of **Local Agency Formation Commission (LAFCO)**. There are two types of county boundary exchanges as prescribed under Gov Code §23200 et seq. and Gov Code §23230 et seq.

1. Gov Code §23200 et seq. governs minor exchanges of county boundaries. The specific authority, for the affected county board of supervisors to propose the change of the boundary line between that county and another county, is prescribed under Gov Code §23203. A minor exchange of county boundaries is defined as one that:
 - Does not move boundaries more than five miles from its original location.
 - Does not reduce, by more than 5%, the area of any affected county.
 - Does not reduce, by more than 5%, the population of any affected county as determined by the State Department of Finance's most recent estimate of population.
2. Gov Code §23230 et seq. governs major exchanges of county boundaries. A major exchange is defined as one initiated by petition of the resident-voters within the affected territory, or by resolution of the legislative body of either affected county, or of any city within either affected county as filed with the clerk of the transferring county (Gov Code §23233). The petition of the resident-voters within the affected territory must be in compliance with Gov Code §23205.

Upon receipt of the certification of a petition or a certified copy of a resolution, the board of the affected (transferring) county shall transmit a copy to the Governor as required by Gov Code §23247.

Upon receipt of a copy of the certification or a certified copy of the resolution, the Governor shall create a "County Boundary Review Commission" and appoint five people to the Commission to facilitate the boundary exchange in a manner similar to LAFCO.

The Role of the Auditor

In the event that the property tax revenues are to be negotiated, the legislative body of either affected county would request the Auditor to prepare an estimate of property tax revenues attributable to the proposed area for each affected local agency. The fiscal impact request would typically include a list of parcels or a map and other relevant documentation, similar to the processes that LAFCO would use. The Assessor would compile the corresponding

equalized assessed values within **Tax Rate Area (TRA)**. The Auditors would have one additional role of adjusting the allocation of property tax revenues and/or the **annual tax increment** determined for any local agencies whose service area or service responsibility would be altered by the boundary change, upon the approval of exchange of county boundaries, including transfers of any funds between counties.

- For minor exchange of boundary: Pursuant to Gov Code §23217, the Auditor of an affected county shall transfer to the Auditor of the other affected county any money that is or may be due to the other affected county from road districts in the affected territory. The money shall be properly credited in each county.
- For major exchange of boundary: Pursuant to Gov Code §23292, the Auditor of the transferring county shall draw a warrant on the treasurer of that county in favor of the treasurer of the accepting county for all money that is or may be due from the transferring county by apportionment or otherwise to the different road and supervisorial or district funds in the territory which is transferred. The amounts shall be properly credited in both counties.

Special Terminology for County Boundary Exchanges

Special terminology exists for both minor exchanges and major exchanges. Because these terms were specific only to county boundary exchanges, they have not been added to the glossary of this reference manual. The special terminology for minor exchanges can be located in Gov Code §23201. The special terminology for major exchanges can be located in Gov Code §23231. Make sure to review these special terminologies prior to commencing any work related to county boundary exchanges.

This example creates the new TRA using the old TRA as a model. Prior year allocated taxes & ATI are moved in proportion to A/V.

BOE CHANGE ORDER # 98-005
GARLAND REORGANIZATION: Annexation to the Emerald City & Detachment from Tinman Fire Protection District

Transfer to New # 02-114
Total of Old # 86-020

Prior Year Assessed Value
75,387 ¹
42,511,588 ²

Note: Negotiated agreements will vary from county to county as allowed by code. The exchange of property taxes may be at the fund level based on the total AB8 allocation of the taxing entity or it may be at the TRA level as follows:

- 1) exchange of allocated percentage
- 2) exchange of base taxes and/or
- 3) exchange of annual tax increment (ATI)

CALCULATION TO TRANSFER PRIOR YEAR ALLOCATED TAXES TO NEW TRA FOR EXCHANGE OF ALLOCATED %

Base Tax Transfer =	New TRA A/V ¹	75,387	=	0.00177	x	Taxes from Old TRA 431,303 ³	=	Amts to New TRA 765 ⁵	(3 - 5) =	Balances to remain with Old TRA 430,538 ⁷
	Old TRA Value ²	42,511,588		Ratio						
Increment Transfer =	New TRA A/V ¹	75,387	=	0.00177	x	24,346 ⁴	=	43 ⁶	(4 - 6) =	24,303 ⁸
	Old TRA Value ²	42,511,588		Ratio						

Some counties use 1% of assessed value to drive the annual tax increment making these calculations unnecessary.

(The City is to receive the same allocated percentage formerly received by the Fire Protection District.)

OLD TRA 86-020					ADJUSTED OLD TRA 86-020				NEW TRA 02-114			
FUND	ALLOCATED PERCENT	PRIOR ALLOCATED TAXES	ANNUAL INCREMENT	TOTAL CURRENT TAXES	ALLOCATED PERCENT	PRIOR ALLOCATED TAXES	ANNUAL INCREMENT	TOTAL CURRENT TAXES	ALLOCATED PERCENT	PRIOR ALLOCATED TAXES	ANNUAL INCREMENT	TOTAL CURRENT TAXES
0001 County General Fund	22.18550244	95,687	5,401	101,088	22.18550244	95,517	5,392	100,909	22.18550244	170	9	179
0760 Emerald City									13.27796591	102	6	108
2280 Tinman Fire Prot Dist	13.27796591	57,268	3,233	60,501	13.27796591	57,167	3,227	60,394				
2400 County Flood Zone	0.30146089	1,300	73	1,374	0.30146089	1,298	73	1,371	0.30146089	2	0	2
2610 Yellow Brick Rd Dept	1.29207864	5,573	315	5,887	1.29207864	5,563	314	5,877	1.29207864	10	1	11
3050 Good Witch Wtr Dist	0.38844845	1,675	95	1,770	0.38844845	1,672	94	1,767	0.38844845	3	0	3
3270 Scarecrow Cemetery	0.29901587	1,290	73	1,363	0.29901587	1,287	73	1,360	0.29901587	2	0	2
4090 Guardian Transit Dist	0.26940064	1,162	66	1,228	0.26940064	1,160	66	1,225	0.26940064	2	0	2
4500 Poppy Field RCD	0.00000000	0	0	0	0.00000000	0	0	0	0.00000000	0	0	0
7501 Munchkin Elem Sch	23.20829640	100,098	5,650	105,748	23.20829640	99,921	5,640	105,561	23.20829640	178	10	188
8201 Winged Monkeys High	16.89413840	72,865	4,113	76,978	16.89413840	72,736	4,106	76,842	16.89413840	129	7	136
9601 Great Wizard College	5.90289370	25,459	1,437	26,897	5.90289370	25,414	1,435	26,849	5.90289370	45	3	48
9801 Co Sch Service Fund	4.06617970	17,538	990	18,528	4.06617970	17,506	988	18,495	4.06617970	31	2	33
9802 ERAF	11.91461896	51,388	2,901	54,289	11.91461896	51,297	2,896	54,193	11.91461896	91	5	96
	100.00000000	431,303 ³	24,346 ⁴	455,649	100.00000000	430,538 ⁷	24,303 ⁸	454,841	100.00000000	765 ⁵	43 ⁶	808

The above amounts of "prior allocated taxes" and "annual increment" for each fund are determined by multiplying the column total by the appropriate allocated percentage.

California State Board of Equalization
TRA Consolidation Targets (Look-A-Like)
For the 2014/15 Board Roll of State Assessed Properties
For the Great Oz

Group	TRA	TRA	TRA	TRA	TRA
1	001-000	001-009			
<i>Total TRAs: 2</i>					
	Districts				
	01	CITY	[0002]	EMERALD	
	04	UNIFIED	[0039]	EMERALD	
	05	COMM. COLLEGE	[0064]	GREAT WIZARD	
	07	RESOURCE CONSV.	[0066]	POPPY FIELD	
	11	CEMETERY	[0070]	YELLOW BRICK	
	40	FLOOD MAINT.	[0094]	COUNTY	
	<i>Districts: 6</i>				

Group	TRA	TRA	TRA	TRA	TRA
2	001-001	001-010			
<i>Total TRAs: 2</i>					
	Districts				
	01	CITY	[0002]	EMERALD	
	04	UNIFIED SCHOOL	[0039]	EMERALD	
	05	COMM. COLLEGE	[0064]	GREAT WIZARD	
	07	RESOURCE CONSV.	[0066]	POPPY FIELD	
	11	CEMETERY	[0070]	YELLOW BRICK	
	40	FLOOD MAINT.	[0094]	COUNTY	
	56	TRANSIT	[0137]	GUARDIAN	
	<i>Districts: 7</i>				

Exhibit B

California State Board of Equalization
Tax Area Services
Tax Rate Area Change Notice

County: OZ	No: 99	Fee: \$2,000	BOE File No.: 2013-001
Conducting Authority: LAFCO		Acres: 231	Resolution/Ord. No.:
		Areas: 1	
Short Title:		Parcels:	LAFCo Res. No: 2011-02
CITY OF EMERALD: ANNEX NO. 79 (YELLOW BRICK ROAD DISTRICT)		Population:	Effective Date: 11/16/2011
		Assessed: \$7,163,987	BOE Change Date: 11/27/2012
			Roll Year: 2013/14
			Distribution Group: 13
Intent of Filing: 02 City - Annexation			
Principal District: 01 [0011] CITY - EMERALD			Maker: pburton
			Checker: etankiam

Comments:

ROAD/CO/SUPVR is automatically excluded from annexations to cities.

TRA Actions

Existing TRA	Action	After TRA	After Districts	After Maps
112-030	S/E	003-012	0011, 0029, 0033, 0053, 0068	123, 124, 127, 128, 129, 133, 134
112-053	S/E	003-012	0011, 0029, 0033, 0053, 0068	123, 124, 127, 128, 129, 133, 134
Action Codes: S/N = Split into New S/E = Split into Existing C/N = Dissolve into New C/E = Dissolve into Existing				

Districts for TRA Actions:

Type Category	D Code District	Related	Change	TRA
01 CITY	0011 EMERALD			003-012
04 UNIFIED SCHOOL	0029 WINKIES			003-012
05 COMM. COLLEGE	0033 GREAT WIZARD			003-012
15 FLOOD CONTROL	0053 COUNTY-ZONE NO. 09			003-012
53 PORT & HARBOR	0068 PORT EMERALD			003-012

Maps for TRA Actions:

Map	Related	Change	TRA
123			003-012
124			003-012
127			003-012
128			003-012
129	Yes	Add TRA	003-012
133	Yes	Add TRA	003-012
134	Yes	Add TRA	003-012

Exhibit C

Consolidation of Existing Tax Rate Areas

California State Board of Equalization
Tax Area Services Section
(916) 274-3250, TASS@boe.ca.gov

What is consolidation?

Consolidation is the process of combining two or more tax rate areas which have the same unique combination of revenue districts into a single tax rate area. The process of consolidation may occur as long as such consolidation does not conflict with Section 99 of the Revenue and Taxation Code.

Where does the authorization for consolidation come from?

Section 95(g) of the Revenue and Taxation Code gives general direction as to those tax rate areas that may be combined. It states:

"...if the area subject to change is within the same combinations of local agencies and school entities as an existing tax rate area the two tax areas may be combined into one tax rate area" (second paragraph), and

"...the factors used to allocate the annual tax increment pursuant to Section 98 shall be determined by calculating a weighted average of the annual tax increment factors used in the tax rate areas being combined" (third paragraph).

How much duplication exists for tax rate areas?

Of the 20 sample counties that Tax Area Services looked at, we found that there was a duplication rate of between 30% and 45% for tax rate areas (most being on the upper end). This was based on the Tax Area Services "look-a-like" list, using district combinations without allocation factors considered.

Santa Clara County went through a two phase consolidation. The number of valid tax rate areas fell from 3,404 for the 2001/02 Roll Year to 805 for 2003/04 Roll year, a reduction of 2,635 or 77%. The potential for savings in manhours, at both the state and county level, is tremendous once consolidation is completed and an ongoing program is in place.

What criteria is used to consolidate two or more existing TRA's?

All taxing jurisdictions including debt service must be the same.

What are the steps followed in consolidation?

Consolidation has three major phases.

1. The removal of extraneous district segregation from the tax rate area code chart.
2. Existing "look-a-like" tax rate areas are consolidated into single tax rate areas.
3. A consolidation maintenance program is established and kept in place.

*Provided by: Board of Equalization
Tax Area Services Section*

Exhibit D

What is a district segregation?

A segregation is a primary division of a district that exists in a parent-parent relationship with the special revenue district. These segregations are most commonly found in school districts, listed as annexation areas to cities or have the suffix "-BLO" (Bond Levy Only), but they may be found in every type of special district. Any segregation that can be removed will greatly increase the number of tax rate areas that will be combined. We have found in most counties that by eliminating unnecessary segregations the consolidation targets can increase between 10% to 30%.

How are the segregations removed from the tax rate area code chart?

The first step in the consolidation process is to obtain a list of the special revenue districts for your county according to the records here at Tax Area Services. Carefully look at the various segregations that exists within each parent district. Please review the entire list because there may be others that should be combined into a single district but are not recognized as such because of dissimilar names.

All that is required is a letter from the County Auditor to Tax Area Services requesting the removal of a segregation or group of segregations. This letter must also state which parent district the affected tax rate areas are to be assigned. *Districts* or *zones* that are to be removed require a copy of the resolution to dissolve from the conducting authority, or some other form of documentation (see examples on page 8). When this step is completed, the tax rate area "look-a-like" list will be sent to the County Auditor.

What is a "look-a-like"?

A "look-a-like" is two or more tax rate areas that have a matching combination of special revenue districts. A "look-a-like" is determined entirely on the district composition and does not take into account any allocation factors.

What does the Auditor do with the "look-a-like" list?

The next step is for the County Auditor to examine the "look-a-like" list. The County Auditor may add or remove tax rate areas to this list after discussions with Tax Area Services. When this process is done, the Auditor's office should forward to Tax Area Services the list of tax rate areas to be combined and the resulting tax rate area numbers to be used.

Must all look-a-likes be combined?

Because of a difference in allocation factors, and other considerations, not all "look-a-like" tax rate areas can consolidate. The Auditor may combine a large group of "look-a-likes" into more than one tax rate area. However the County Auditor's list of tax rate areas to be combined must appear on the list of "look-a-likes" from Tax Area Service. Remember, the "look-a-like list" from Tax Area Services is based solely on special district composition. Tax Area Services does not deal with allocation factors.

What is a consolidation maintenance program?

After a county has consolidated the existing tax rate areas, it is necessary to use every possible effort so that the county will remain consolidated. When there is a change in a jurisdictional boundary, tax rate areas that are split can be consolidated into an existing tax rate area as long as it meets the criteria listed above. For consolidated counties, this will occur at the time of filing with Tax Area Services at the Board of Equalization for a jurisdictional boundary change.

*Provided by: Board of Equalization
Tax Area Services Section*

Exhibit D

How does a maintenance program function?

It is in the best interest of every one concerned that the Auditor's office inform the County LAFCo office as soon as possible of the intention to consolidate. When the consolidation is complete, LAFCo is the major player in the process of maintaining the county tax rate area consolidation. To maintain a successful consolidation program the following steps should be included into the county's normal process of filing for boundary changes. These steps should occur prior to the final filing package being sent to Tax Area Services.

1. Filings are sent to the Assessor's office where it is determined which tax rate areas will be affected.
2. The Assessor in turn will notify the Auditor's office which tax rate areas will be split or canceled. The Auditor then decides if an existing tax rate area number can be used or a new number is to be assigned by Tax Area Services.
3. The Auditor now attaches a letter with the filing indicating the action that Tax Area Services is to follow regarding tax rate area numbers. The Auditor may notify Tax Area Services at any time regarding a change in status of segregation or tax rate areas that will enhance the consolidation process. A sample letter is included at the end of this package.

Alternatively, the Auditor's office may submit a letter requesting that Tax Area Services assign look-a-like tax rate areas for all future jurisdictional changes. The Auditor's office must provide a list of all tax rate areas that should not be consolidated and notify Tax Area Services of any updates to this list. Tax Area Services will create new tax rate area numbers when a tax rate area on the "do not consolidate" list is included in a jurisdictional change.

Is it mandatory that the entire county be consolidated?

While it is preferable that consolidation happen all at once, Tax Area Services is aware of the initial burden this can place on the county. If your county has special circumstances, please contact us. Tax Area Services is willing to work with the county and do an incremental consolidation over a two or three year period.

What is the cost of consolidation?

There are no fees paid to the Board of Equalization for tax rate area consolidation. Costs to the county are incurred in the number of manhours that a county spends in completing the consolidation. This will occur primarily in the Assessor's office because of the amount of work involved in changing maps and other data. Depending on the procedures the individual county uses this may or may not be a significant figure. However, once a county is consolidated, the savings in terms of workload will more than justify the initial effort.

*Provided by: Board of Equalization
Tax Area Services Section*

Exhibit D

Mass Removal of Segregations During Consolidation of Existing Tax Rate Areas

Intent:

The intent of this process is:

- A. to remove unneeded headings (segregations) from the tax rate area chart
- B. encourage consolidation of similar districts or district zones that are under the same governing body. This is specifically aimed at County or City Service Areas, maintenance districts and other districts that provide similar services.

Definitions:

- A. **SEGREGATION**: A segregation is a primary level division of a district. A segregation is considered to be equivalent to a parent and can exist independent of the parent. The segregation of a parent district may be removed on the authority of the county auditor. A segregation is one that is noted as a component ("-Comp."), division ("-Div."), annexation ("-Anx.") or bond levy only ("-BLO"). In most cases these segregations are found in school districts or cities but may also exist in other types of districts.

A tax rate area may contain the parent district or one segregation. It cannot contain both a segregation and the parent district. Removal of the segregation will automatically transfer the tax rate area to the parent district, except in the case for the heading of bond levy only ("-BLO"). Removal of a "-BLO" segregation is a complete removal.

- B. **ZONE**: A zone, zone of benefit, improvement area, improvement zone and other similar divisions is a secondary level division of the parent district. These divisions exist in a parent-child relationship and cannot exist independent of the parent. A tax rate area may contain the parent district and one or more zones of the parent, or, the parent district and no zone. Because these zones were established by a resolution from the governing board of the district, the removal or consolidation requires a resolution from the same body.

Criteria for consolidation of districts or district zones:

We suggest that the Auditor's office work in cooperation with the county Public Works/Engineering/Maintenance Department to identify districts that can be candidates for consolidation.

- A. Same type of service district (example: drainage district, or maintenance district, or lighting district, etc.)
- B. Able to consolidate without the approval of the voters.
- C. Same governing authority.
- D. Districts that have the same fund are good candidates
- E. All criteria established at the county level to combine districts must be satisfied.

*Provided by: Board of Equalization
Tax Area Services Section*

Exhibit D

Type of action allowed:

- A. Removal of segregations
- B. Removal of zones
- C. Consolidation of zones into single zone
- D. Consolidation of zones into parent district
- E. Consolidation of compatible districts (example: consolidate drainage districts, maintenance districts, county service areas, etc.)
- F. Dissolution or removal of district

Type of action not allowed:

- A. Annexation
- B. Detachment
- C. Formation
- D. Reorganization
- E. Boundary revision
- F. Transfer of territory between districts

Documentation required:

- A. Removal of Segregations - letter from the Auditor giving authority and listing both the parent and the segregation to be removed
- B. Removal or consolidation of other zones or districts still in existence - resolution from the governing board.
- C. Districts or zones no longer in existence - copy of resolution dissolving district.
- D. Districts no longer in existence where no documentation is available - letter from the county counsel giving a statement about the non-existence of the district and authorizing the removal of the district. This is a last choice, copies of resolutions are preferred

*Provided by: Board of Equalization
Tax Area Services Section*

Exhibit D

**Sample Auditor's Statement
to Remove Segregations and Districts**

*Please use the format of the example below to request the removal of district segregations, parent districts no longer in existence and consolidation of districts and/or zones. The option for sections B or C is available to the county only at the time consolidation or reconsolidation of existing Tax rate areas. At any other time, the removal or consolidation of districts must be processed in the normal manner as a single action filed through LAFCo. Please remember that **supporting documentation for sections B and C must be supplied with the statement** unless prior arrangements have been made with Tax Area Services.*

A:

Please remove the following segregations from the Tax rate area Code chart of the Board Roll. They have no taxing authority and are not used by the County Auditor.

<u>Parent District</u>	<u>Segregation to be removed</u>
City-Johnstown	Annexed Area Basic Area Ord. 1955
Unified School-Willis	Basic Area Bullard Anx. Garden Val. Div. Glenville Comp. Mt. Johns Comp/Deer Creek Anx.

B:

The following districts are no longer in existence and may be removed from the Tax rate area Code chart of the Board Roll. The necessary supporting documentation is attached.

County Service Area No. 11
County Service Area No. 16
County Service Area No. 19

C:

The following districts or zones may be consolidated on the tax rate area code chart of the Board Roll. The necessary supporting documentation is attached.

Sewer and Drainage No. 1,	Zone A	
"	"	Zone B
"	"	Zone C
		consolidate into: Zone A
Maintenance District No. 7		
"	"	No. 13
		consolidate into: Maint. Dist. No. 13

*Provided by: Board of Equalization
Tax Area Services Section*

Exhibit D

Sample Statement of TRA Assignment

District Resolution No.:

LAFCo Resolution No.:

Short Title:

The County Auditor-Controller's office certifies that changes to existing tax rate areas in the above named action can be made as follows:

Existing TRA
Affected

Assign to Existing
TRA Number

New TRA
Number Required

XXXXXXXXXXXX
Auditor-Controller

by _____
Deputy Auditor-Controller (*or Tax Manager*)
Phone (xxx) xxx-xxxx

*Provided by: Board of Equalization
Tax Area Services Section*

Exhibit D

Consolidation of Existing Tax Rate Areas

Sample Worksheet

1 % AV TRA #1: **\$618,420.** 1 % AV TRA #2: **\$15,764.** 1 % AV New TRA: **\$634,185.55**
 (TRA #1 + TRA #2)

District Fund Numbers	TRA #1		TRA #2		New Consolidated TRA	
	AB 8 Allocation Factor	Dollar Allocation to District	AB 8 Allocation Factor	Dollar Allocation to District	Total Dollar Allocation to Dist. (TRA #1 + TRA #2)	New AB 8 Allocation Factor
1003	0.10170160	\$62,894.37	0.09213260	\$1,452.46	\$64,346.83	0.10146373
1206	0.01847880	\$11,427.67	0.01869200	\$294.68	\$11,722.35	0.01848410
2025	0.15446340	\$95,523.36	0.15624020	\$2,463.11	\$97,986.47	0.15450757
2505	0.00216740	\$1,340.36	0.00219490	\$34.60	\$1,374.97	0.00216808
2520	0.00874810	\$5,410.01	0.00884820	\$139.49	\$5,549.50	0.00875059
2825	0.00044070	\$272.54	0.00044690	\$7.05	\$279.58	0.00044085
3102	0.00020130	\$124.49	0.00020180	\$3.18	\$127.67	0.00020131
3301	0.00193140	\$1,194.42	0.00195350	\$30.80	\$1,225.21	0.00193195
3803	0.00586730	\$3,628.46	0.00593470	\$93.56	\$3,722.02	0.00586898
4009	0.00782000	\$4,836.05	0.00790840	\$124.67	\$4,960.72	0.00782220
4010	0.00228040	\$1,410.25	0.00230560	\$36.35	\$1,446.59	0.00228103
4026	0.03717410	\$22,989.23	0.03760180	\$592.79	\$23,582.02	0.03718473
4202	0.07824620	\$48,389.07	0.07900930	\$1,245.57	\$49,634.64	0.07826517
6901	0.01186130	\$7,335.27	0.01199750	\$189.14	\$7,524.41	0.01186469
6999	0.11332160	\$70,080.42	0.11408020	\$1,798.46	\$71,878.88	0.11334046
7501	0.38116490	\$235,720.26	0.38555070	\$6,078.16	\$241,798.41	0.38127392
7901	0.05725820	\$35,409.65	0.05791520	\$913.03	\$36,322.68	0.05727453
7999	0.01687330	\$10,434.80	0.01698650	\$267.79	\$10,702.59	0.01687611
Totals	1.00000000	\$618,420.68	1.00000000	\$15,764.87	\$634,185.55	1.00000000

Note: After consolidation, district receives same total dollar amount.

Please direct all questions to:

TASS@boe.ca.gov

Fax: (916) 327-4251

State Board of Equalization
 Tax Area Services Section
 450 N Street, MIC: 59
 P. O. Box 942879
 Sacramento, California 94279-0059

Provided by: Board of Equalization
 Tax Area Services Section

Exhibit D

BOARD OF EQUALIZATION

Created in 1879 by a constitutional amendment, the **Board of Equalization** was initially charged with responsibility for ensuring that county property tax assessment practices were equal and uniform throughout the state. Currently the tax programs administered by the Board are concentrated in four general areas: sales and use taxes, property taxes, special taxes and the tax appellate program. Board-administered programs provide 40 percent of the State's tax revenue.

In addition to administering key state revenue programs, the Board plays a critical role with regard to California property taxes. Further, it acts as the appellate body for franchise and income tax appeals.

The Board of Equalization oversees the assessment practices of the state's 58 county assessors, who are charged with establishing values for approximately 12 million properties each year. In addition the Board assesses the property of regulated railroads and specified utilities, and assesses and collects the private railroad car tax and the timber yield tax.

In accordance with article XIII, section 19 of the California Constitution, the Board of Equalization assesses certain properties. The Valuation Division is responsible for providing the elected Board with value indicators for state-assessed properties and for allocating the Board-determined value of those properties to the counties where the properties are physically located. Each county taxes the allocated value of state assessed properties at the same rate as locally assessed property.

The values and allocations that are established by the Board are transmitted at the beginning of August, to each county, in the form of the Board Roll of State Assessed property.

Tax Area Services is charged with the responsibility of maintaining, recording and reporting to the various county auditors and assessors, all changes to jurisdictional boundaries of revenue districts that are required to file with the Board of Equalization. Tax Area Services makes the final determination of the physical location of all jurisdictional boundaries of revenue districts based upon the documents filed by the various districts. Tax Area Services administers the tax rate area system and provides the tax rate chart segment of the Board Roll of State Assessed property.

TAX-RATE AREA SYSTEM

A. GENERAL

A tax-rate area is a specific geographic area, all of which is within the jurisdiction of the same unique combination of local agencies and school entities for the current fiscal year. The tax rate area numbering system is based on a six-digit number. The first three digits refer to primary areas and the last three digits identify secondary areas.

The primary number identifies the incorporated cities and school districts (elementary or unified) in the unincorporated area of the county. The cities within a county were originally listed alphabetically and numbered from 1 to 50. A city, which was subsequently incorporated, was assigned the next higher number. The portion of territory for elementary or unified school districts outside the city boundary were listed alphabetically and similarly

Exhibit E

numbered from 51 on. When the number of cities in Los Angeles exceeded 49, an additional digit was added to the city primary numbers for Los Angeles County only. For Los Angeles County, elementary or unified schools are numbered from 51 to 199 and incorporated cities are numbered from 200 and above.

Secondary areas include all the other special districts, e.g., high school, community college, fire protection, water, drainage, etc. Since the boundaries of special districts do not conform to those of primary districts, they create subdivisions within a primary area that are numbered 001, 002, 003, etc. A tax rate area number is written in this manner: **123-456**. (Los Angeles County is an exception; it maintains its own five-digit numbering system, which does not wholly differentiate cities from other districts.)

In all 58 counties primary **000** is a countywide district for state assessed property. When used with secondary number **001**, it is reserved for the assessment of unitary and operating non-unitary property. Secondary number **002** is used for Unitary Railroad Property and secondary number **095** is used for Qualified Electric Property. Secondary number **511** is used for pipeline rights-of-way by those counties that have requested segregation for pipelines. *(Note: Verbiage on secondary numbers 002 & 095 added by Property Tax Manual Committee.)*

B. TAX-RATE AREA CHART

The chart is a listing of the tax rate areas for each county in numerical order and the special revenue districts associated with that area. This chart is used by the county auditor in the allocation process of the property tax revenues to the various districts.

In 1995 this chart was changed from a manually produced paper process to a computer generated one. The county auditors, assessors and subscribers now receive the code chart data on a computer floppy disk. One paper copy is included in the Board Roll of State Assessed Property sent to each county auditor on August 1 of each year.

C. CONSTITUTIONAL AND STATUTORY PROVISIONS

The following constitutional and statutory provisions are of particular importance with respect to the tax-rate area system.

1. CALIFORNIA CONSTITUTION

Article XIII, Section 14.

2. HEALTH AND SAFETY CODE

Sections 33327, 33328, 33328.3, 33375 and 33457 (Redevelopment Projects)

3. GOVERNMENT CODE

Sections 25210.1 - 25210.90 in reference to County Service Areas.

Sections 54900 - 54903 of the Government Code contain provisions to ensure that changes in boundaries of cities and districts are uniformly maintained.

- **Section 54900** requires the tax-levying authority of each city or district to file a statement covering its formation or any changes in the exterior boundaries of the district. In some cases, the governmental body that conducts the proceedings is not the tax-levying authority of the district whose boundaries

Exhibit E

are being changed. In such cases, the city or district conducting the proceedings must forward the statement to the tax-levying authority for filing.

- **Section 54901** specifies the contents of the statement. Each statement must contain the following documents:
 1. Statement of Boundary Change
 2. Certificate of Completion
 3. Certified copy of the ordinance or resolution that creates or changes the boundaries
 4. Legal description of the new or changed boundaries
 5. Map or plat showing the change
 6. Statement as to whether or not the affected property will be taxed for any existing bonds or contractual obligations.
- **Section 54900.1** defines “tax or assessment levying authority” as being the governmental body required to levy taxes or assessments by the principal act of the city or district.
- **Section 54902** requires the documents to be filed with the State Board of Equalization in Sacramento, and copies filed the County Assessor and County Auditor. These documents must be filed on or before December 1 of the year immediately preceding the year in which the assessments or taxes are to be levied, if they are to be effective for the fiscal year beginning on the following July 1.
- **Section 54902.5** requires the State Board of Equalization to establish a schedule of fees to cover its cost of processing the statements. The document package must include payment of all fees at the time it is filed with the Board. When a new city or district is formed the fee may be deferred until such time as the city or district has received its first revenues.
- **Section 54903** states that the creation or change in boundaries of a city or district is not effective for taxation purposes unless the statement and map are filed pursuant to the aforementioned sections.

4. REVENUE AND TAXATION CODE

Section 95, 122, 602 and 606.

Section 95. For the purpose of this chapter:

(a) "Local agency" means a city, county, and special district.

(b) "Jurisdiction" means a local agency, school district, community college district, or county superintendent of schools. A jurisdiction as defined in this subdivision is a "district" for purposes of Section 1 of Article XIII A of the California Constitution.

For jurisdictions located in more than one county, the county auditor of each county in which that jurisdiction is located shall, for the purposes of computing the amount for that jurisdiction pursuant to this chapter, treat the portion of the jurisdiction located within that county as a separate jurisdiction.

(c) "Property tax revenue" includes the amount of state reimbursement for the homeowners' exemption. "Property tax revenue" does not include the amount of property tax levied for the purpose of making payments for the interest and principal on either of the following:

Exhibit E

(1) General obligation bonds or other indebtedness approved by the voters prior to July 1, 1978, including tax rates levied pursuant to Part 10 (commencing with Section 15000) of Division 1 of, and Sections 39308 and 39311 and former Sections 81338 and 81341 of the Education Code, and Section 26912.7 of the Government Code.

(2) Bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of the voters on or after June 4, 1986.

(d) "Taxable assessed value" means total assessed value minus all exemptions other than the homeowners' and business inventory exemptions.

(e) "Jurisdictional change" includes a change of organization, as defined in Section 35027 of the Government Code, an incorporation, as defined in Section 35037 of the Government Code, a municipal reorganization, as defined in Section 35042 of the Government Code, a change of organization, as defined in Section 56021 of the Government Code, a formation, as defined in Section 56042 of the Government Code, and a reorganization, as defined in Section 56068 of the Government Code. "Jurisdictional change" also includes any change in the boundary of those special districts that are not under the jurisdiction of a local agency formation commission.

"Jurisdictional change" also includes a functional consolidation where two or more local agencies, except two or more counties, exchange or otherwise reassign functions and any change in the boundaries of a school district or community college district or county superintendent of schools.

(f) "School entities" means school districts, community college districts, the Educational Revenue Augmentation Fund, and county superintendents of schools.

(g) Except as otherwise provided in this subdivision, "tax rate area" means a specific geographic area all of which is within the jurisdiction of the same combination of local agencies and school entities for the current fiscal year. In the case of a jurisdictional change pursuant to Section 99, the area subject to the change shall constitute a new tax rate area, except that if the area subject to change is within the same combinations of local agencies and school entities as an existing tax rate area, the two tax rate areas may be combined into one tax rate area. Existing tax rate areas having the same combinations of local agencies and school entities may be combined into one tax rate area. For the combination of existing tax rate areas, the factors used to allocate the annual tax increment pursuant to Section 96.5 shall be determined by calculating a weighted average of the annual tax increment factors used in the tax rate areas being combined.

Section 122. "Revenue district" includes every city and district for which the county officers assess property and collect taxes or assessments.

Section 602. This local roll shall show:

(a) The name and address, if known, of the assessee.

(b) Land, by legal description.

(c) A description of possessory interests sufficient to identify them.

(d) Personal property. A failure to enumerate personal property in detail does not invalidate the assessment.

(e) The assessed value of real estate, except improvements.

(f) The assessed value of improvements on the real estate.

Exhibit E

- (g) The assessed value of improvements assessed to any person other than the owner of the land.
- (h) The assessed value of possessory interests.
- (i) The assessed value of personal property, other than intangibles.
- (j) The revenue district in which each piece of property assessed is situated.
- (k) The total taxable value of all property assessed, exclusive of intangibles.
- (l) Any other things required by the board.

Section 606.

(a) Except as provided in subdivisions (b) and (c), when any tract of land is situated in two or more revenue districts, the part in each district shall be separately assessed.

(b) Where the owner of two or more contiguous parcels comprising the tract is identical, and the full value of any parcel is less than five thousand dollars (\$5,000), that parcel may be combined with the contiguous parcel with the greatest assessed valuation.

(c) Where the owner of two or more contiguous parcels comprising the tract is identical, and the tract of land is being used for a single-family residence and constitutes 15,000 square feet or less, the smallest parcel may be combined with the largest contiguous parcel.

Exhibit E was provided by:

**Tax Area Services Section
Board of Equalization
State of California**

Exhibit E

**COUNTY OZ
AUDITOR'S RATIO
FOR THE PROPOSED EMERALD INCORPORATION
2003-2004 GENERAL PURPOSE REVENUES**

PROPERTY TAX REVENUES

CURRENT SECURED	36,000,000	
CURRENT UNSECURED	5,000,000	
SUPPLEMENTAL	7,000,000	
SECURED DELINQUENT	2,000,000	
SUPPLEMENTAL DELINQUENT	200,000	
UNITARY	1,600,000	
UNSECURED DELINQUENT	1,093,000	
HOMEOWNERS EXEMPTION	1,500,000	
TOTAL PROPERTY TAX REVENUES		\$ 54,393,000 [A]

OTHER GENERAL PURPOSE REVENUES

PENALTY / COSTS	200,000	[1]
SALES TAXES	25,000,000	
IN LIEU VEHICLE LICENSE FEE	10,000,000	
IN LIEU LOCAL SALES & USE TAX	5,000,000	
UTILITY TAX	1,970,000	
TRANSIENT OCCUPANCY TAX	12,000,000	
PROPERTY TRANSFER TAXES	1,990,000	
FRANCHISES	15,000	
VEHICLE CODE FINES	40,000	
OTHER COURT FINES	1,700,000	
CIVIL PENALTIES	3,984,000	
INTEREST INCOME	680,000	
WILLIAM SON ACT - TAX RELIEF	3,400,000	
AID LOCAL GOV AG	150,000	
TOBACCO TAX	18,700,000	
REVENUE NEUTRALITY PAYMENTS	1,200,000	
LEASE PROPERTY	40,000	
IN LIEU ASSESS FEES	2,000	
TOTAL OTHER GENERAL PURPOSE REVENUES		\$ 85,871,000

TOTAL GENERAL PURPOSE REVENUES **\$ 140,264,000** [B]

AUDITOR'S RATIO **38.78%** [C] = [A] / [B]

SOURCES:

LAFCO REQUEST OF INFORMATION	Fiscal Year
AUDITOR-CONTROLLER	General Ledger

NOTE:

[1] In general, this amount is excluded from the Property tax revenues category.

Exhibit F-1

D2 - 37

EMERALD CITY INCORPORATION **COMPUTATION OF AB 8 FACTORS [ERAF at TRA LEVEL]**

SOURCES:

LAFCO RESOLUTION:

06-0412 Approved the Incorporation of the Emerald City
 Effective Date of Incorporation: July 1, 2007
 Final Boundary: Entire TRA 054-006 and TRA 066-010. Portion of TRA 055-010
 Base Property Tax Revenues from County of Oz \$ 1,600,000 [1]
 Base Property Tax Revenues from Hazel Recreation & Park \$ 200,000
 Base Property Tax Revenues from East Water District \$ 25,000
 Base Year 2003-2004
 Base Year Values TRA 54-006 711,450,000 [A]
 TRA 66-010 219,200,000 [B]
 TRA 55-010 820,000,000 [C]
 Affected Taxing Entities County of Oz, Hazel Recreation & Park, East Water District
 Dissolved East Water District

BOE CHANGE NUMBER

07-004
 Effective Tax Roll Year 2007-2008

Existing TRA	Action	New TRA	Taxing Agency
54-006	Cancel into	09-001	Add City of Emerald - Remove Hazel Recreation & Park
66-010	Cancel into	09-002	Add City of Emerald - Remove Hazel Recreation & Park
55-010	Split into	09-003	Add City of Emerald - Remove East Water District

METHODOLOGY:

STEP 1:

Computation of the TRA Base year 1% revenues

Existing TRA	1% Revenues [D]	
54-006	7,114,500	[A] x 1%
66-010	2,192,000	[B] x 1%
55-010	8,200,000	[C] x 1%
	17,506,500	Base year 1% revenues

STEP 2:

Computation of County of Oz's TRA Revenues portion within the city of Emerald

Affected Agency	AB 8 factors	Revenues
County Oz	[E]	[F] = [D] * [E]
TRA 54-006	20.75%	1,476,259
TRA 66-010	21.40%	469,088
TRA 55-010	24.20%	1,984,400
Affected Revenues		3,929,747

STEP 3:

Computation of the Transfer Ratio

Transfer Ratio 40.72% [G] = [1] / sum of [F]

STEP 4:

Computation of the TRA Revenues amount to be transferred to the city of Emerald from the County of Oz

Existing TRA	from Oz County [H] = [F] * [G]	To Emerald City [I] = [H]
54-006	(601,060)	601,060
66-010	(190,990)	190,990
55-010	(807,950)	807,950
	(1,600,000)	1,600,000

STEP 5:

Computation of TRA AB 8 factor for the city of Emerald

Existing TRA	New TRA	AB 8 factor			
		from Oz County [J] = [I] / [D]	Hazel Rec. & Park Existing [K]	East Water Dist. Existing [L]	City of Emerald [M] = J + K + L
54-006	09-001	8.448%	4.000%		12.448%
66-010	09-002	8.713%	3.000%		11.713%
55-010	09-003	9.853%		1.500%	11.353%

Exhibit F-2

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EMERALD CITY INCORPORATION
COMPUTATION OF AB 8 FACTORS (ERAF at JURISDICTIONAL LEVEL)

SOURCES:

LAFCO RESOLUTION: 06-0412 Approved the Incorporation of the Emerald City
 Effective Date of Incorporation: July 1, 2007
 Final Boundary: Entire TRA 054-006 and TRA 066-010. Portion of TRA 055-010
 Base Property Tax Revenues from County of Oz \$ 1,600,000 [1]
 Base Property Tax Revenues from Hazel Recreation & Park \$ 200,000
 Base Property Tax Revenues from East Water District \$ 25,000
 Base Year 2003-2004
 Base Year Values TRA 54-006 711,450,000 [A]
 TRA 66-010 219,200,000 [B]
 TRA 55-010 820,000,000 [C]
 Affected Taxing Entities County of Oz, Hazel Recreation & Park, East Water District
 Dissolved East Water District

BOE CHANGE NUMBER 07-004

Effective Tax Roll Year 2007-2008

Existing TRA	Action	New TRA	Taxing Agency
54-006	Cancel into	09-001	Add City of Emerald - Remove Hazel Recreation & Park
66-010	Cancel into	09-002	Add City of Emerald - Remove Hazel Recreation & Park
55-010	Split into	09-003	Add City of Emerald - Remove East Water District

METHODOLOGY:

STEP 1:

Computation of the TRA Base year 1% revenues

Existing TRA	1% Revenues [D]	
54-006	7,114,500	[A] x 1%
66-010	2,192,000	[B] x 1%
55-010	8,200,000	[C] x 1%
	17,506,500	Base year 1% revenues

STEP 2:

Computation of County of Oz's TRA Revenues portion within the city of Emerald

Affected Agency - County of Oz		
Existing TRA	AB 8 factors [E]	Revenues [F] = [D] * [E]
54-006	41.50%	2,952,518
66-010	42.80%	938,176
55-010	48.40%	3,968,800
	Affected Revenues	7,859,494

STEP 3:

Computation of the Property tax revenues allocation ratio

Property tax revenues allocation ratio 20.36% [G] = [1] / sum of [F]

STEP 4:

Computation of the TRA Revenues amount to be transferred to the city of Emerald from the County of Oz

Existing TRA	from Oz County [H] = [F] * [G]	To Emerald City [I] = [H]
54-006	(601,060)	601,060
66-010	(190,990)	190,990
55-010	(807,950)	807,950
	(1,600,000)	1,600,000

STEP 5:

Computation of TRA AB 8 factor for the city of Emerald

Existing TRA	New TRA	AB 8 factor			
		from Oz County [J] = [I] / [D]	Hazel Rec. & Park Existing [K]	East Water Dist. Existing [L]	City of Emerald [M] = J + K + L
54-006	09-001	8.448%	6.000%		14.448%
66-010	09-002	8.713%	6.000%		14.713%
55-010	09-003	9.853%		2.100%	11.953%

EMERALD CITY INCORPORATION
COMPUTATION OF AB 8 FACTORS for the COUNTY OF OZ

SOURCES

LAFCO RESOLUTION

06-0412

Approved the Incorporation of the Emerald City

Effective Date of Incorporation: July 1, 2007

Final Boundary: Entire TRA 054-006 and TRA 066-010. Portion of TRA 055-010

Base Property Tax Revenues from County of Oz \$ 1,600,000 [1]

Base Property Tax Revenues from Hazel Recreation & Park \$ 200,000

Base Property Tax Revenues from East Water District \$ 25,000

Base Year 2003-2004

Base Year Values TRA 54-006 711,450,000 [A]

TRA 66-010 219,200,000 [B]

TRA 55-010 820,000,000 [C]

Affected Taxing Entities

County of Oz, Hazel Recreation & Park, East Water District
Dissolved East Water District

BOE CHANGE NUMBER

07-004

Effective Tax Roll Year 2007-2008

Existing TRA	Action	New TRA	Taxing Agency
54-006	Cancel into	09-001	Add City of Emerald - Remove Hazel Recreation & Park
66-010	Cancel into	09-002	Add City of Emerald - Remove Hazel Recreation & Park
55-010	Split into	09-003	Add City of Emerald - Remove East Water District

AUDITOR-CONTROLLER

New TRA	AB 8 Factors City of Emerald
09-001	8.45%
09-002	8.71%
09-003	9.85%

[A]

METHODOLOGY

Computation of AB 8 factors for the county of Oz

ERAF at TRA level

COUNTY OF OZ			
PRE-INCORPORATION		POST INCORPORATION	
Existing TRA	AB 8 factor	New TRA	AB 8 factor
	[B]		[C] = [B] - [A]
54-006	20.75%	09-001	12.30%
66-010	21.40%	09-002	12.69%
55-010	24.20%	09-003	14.35%

ERAF at JURISDICTION LEVEL

COUNTY OF OZ			
PRE-INCORPORATION		POST INCORPORATION	
Existing TRA	AB 8 factor	New TRA	AB 8 factor
	[C]		[D] = [C] - [A]
54-006	41.50%	09-001	33.05%
66-010	42.80%	09-002	34.09%
55-010	48.40%	09-003	38.55%

Exhibit F-4

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**EMERALD CITY INCORPORATION
ANNUAL TAX INCREMENT AMOUNT**

SOURCES:

LAFCO RESOLUTION: **06-0412** Approved the Incorporation of the Emerald City

Effective Date of Incorporation: July 1, 2007

Final Boundary: Entire TRA 054-006 and TRA 066-010. Portion of TRA 055-010

Base Property Tax Revenues from County of Oz	\$	1,600,000	[1]

Base Property Tax Revenues from Hazel Recreation & Park	\$	200,000

Base Property Tax Revenues from East Water District	\$	25,000

Base Year 2003-2004

Base Year Values	TRA 54-006	711,450,000	[A]

TRA 66-010 219,200,000 [B]

TRA 55-010	820,000,000	[C]

Affected Taxing Entities County of Oz, Hazel Recreation & Park, East Water District

Dissolved East Water District

AUDITOR-CONTROLLER

		ERAF at TRA level		ERAF at JURISDICTIONAL LEVE		
PRE-INCORP.		POST INCORPORATION		PRE-INCORP.	POST INCORPORATION	
BASE TRA	AB8 factor	AB 8 Factors		AB8 factor	AB 8 Factors	
	County of Oz, East Water Dist, Hazel Rec. & Park	County of Oz	City of Emerald	County of Oz, East Water Dist, Hazel Rec. & Park	County of Oz	City of Emerald
54-006	24.75%	12.30%	12.45%	47.50%	33.05%	14.45%
66-010	24.40%	12.69%	11.71%	48.80%	34.09%	14.71%
55-010	25.70%	14.35%	11.35%	50.50%	38.55%	11.95%
[A]		[B]		[C]	[D]	

ASSESSMENT YEAR	EQUALIZED ASSESSED VALUES			
	BASE	YR 2004-05	YR 2005-06	YR 2006-07
54-006	711,450,000	700,000,000	650,000,000	400,000,000
66-010	219,200,000	452,000,000	625,000,000	800,000,000
55-010 (portion)	820,000,000	920,000,000	1,200,000,000	1,400,000,000
	[E]	[F]	[G]	[H]

METHODOLOGY:

STEP 1:

Period of which tax increment is to be computed for

The period is from July 1, 2004 through June 30, 2007

STEP 2:

Computation of the Values Increment

ASSESSMENT YEAR	VALUES INCREMENT			
	YR 2004-05	YR 2005-06	YR 2006-07	TOTAL
54-006	(11,450,000)	(50,000,000)	(250,000,000)	(311,450,000)
66-010	232,800,000	173,000,000	175,000,000	580,800,000
55-010 (portion)	100,000,000	280,000,000	200,000,000	580,000,000
	[J] = [F]-[E]	[J] = [G]-[F]	[K] = [H]-[G]	[L]

STEP 3:

Computation of the Tax Increment Amount for adjustment to the City of Emerald's Base

Property tax revenues allocation.

		ERAF at TRA level		ERAF at JURISDICTIONAL LEVEL	
BASE	1% TI	CITY OF EMERALD	County of Oz, East Water Dist	CITY OF EMERALD	County of Oz, East Water Dist
TRA	[M] = [L] *1%	[N] = [M] * [B]	Hazel Rec. & Park	[O] = [M] * [D]	Hazel Rec. & Park
54-006	(3,114,500)	(387,705)	(387,705)	(450,045)	(450,045)
66-010	5,808,000	680,293	680,293	854,533	854,533
55-010 (portion)	5,800,000	658,477	658,477	693,277	693,277

IMPLEMENTATION OF BOE CHANGE

ERAF at TRA level

SOURCES:

BOE CHANGE NUMBER

07-004

Effective Tax Roll Year 2007-2008

Existing TRA	Action	New TRA	Taxing Agency
54-006	Cancel into	09-001	Add City of Emerald - Remove Hazel Recreation & Park
66-010	Cancel into	09-002	Add City of Emerald - Remove Hazel Recreation & Park
55-010	Split into	09-003	Add City of Emerald - Remove East Water District

AUDITOR-CONTROLLER

New TRA	AB 8 Factors			
	County of Oz	City of Emerald	East Water District	Hazel Recreation & Park
09-001	12.30%	8.45%		0.00%
09-002	12.69%	8.71%		0.00%
09-003	14.35%	9.85%	0.00%	

[A]

[B]

From Ex 6-2 From Ex 6-2

PROCESS

	EXISTING TRA			NEW TRA		
	054-006	055-010	066-010	09-001	09-002	09-003
	AB 8 FACTORS			AB 8 FACTORS		
County Oz General	20.75%	21.40%	24.20%	12.30%	12.69%	14.35%
City of Emerald				12.45%	11.71%	11.35%
County Library	2.65%	3.00%	1.75%	2.65%	3.00%	1.75%
Port Emerald Harbor (Multi)	1.75%	1.95%	2.10%	1.75%	1.95%	2.10%
East Water District	0.00%	0.00%	1.50%	0.00%	0.00%	0.00%
Tin Fire Protection District	14.50%	21.00%	15.45%	14.50%	21.00%	15.45%
Hazel Recreation & Park	4.00%	3.00%	0.00%	0.00%	0.00%	0.00%
Winkies Unified School District	23.00%	15.00%	21.00%	23.00%	15.00%	21.00%
Great Wizard Comm College	2.00%	2.50%	2.00%	2.00%	2.50%	2.00%
County School Superintendent	3.50%	3.75%	3.50%	3.50%	3.75%	3.50%
ERAF	27.85%	28.40%	28.50%	27.85%	28.40%	28.50%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

[A]

[B]

Exhibit F-6

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IMPLEMENTATION OF BOE CHANGE ERAF at JURISDICTIONAL LEVEL

SOURCES:

BOE CHANGE NUMBER 07-004

Effective Tax Roll Year 2007-2008

Existing TRA	Action	New TRA	Taxing Agency
54-006	Cancel into	09-001	Add City of Emerald - Remove Hazel Recreation & Park
66-010	Cancel into	09-002	Add City of Emerald - Remove Hazel Recreation & Park
55-010	Split into	09-003	Add City of Emerald - Remove East Water District

AUDITOR-CONTROLLER

New TRA	AB 8 Factors			
	County of Oz	City of Emerald	East Water District	Hazel Recreation & Park
09-001	33.05%	14.45%		0.00%
09-002	34.09%	14.71%		0.00%
09-003	38.55%	11.95%	0.00%	

[A] [B]
From Ex 6-3 From Ex 6-3

PROCESS

	EXISTING TRA			NEW TRA			
	054-006	055-010	066-010	09-001	09-002	09-003	
	AB 8 FACTORS			AB 8 FACTORS			
County Oz General	41.50%	42.80%	48.40%	33.05%	34.09%	38.55%	[A]
City of Emerald				14.45%	14.71%	11.95%	[B]
County Library	2.65%	3.00%	1.75%	2.65%	3.00%	1.75%	
Port Emerald Harbor (Multi)	1.75%	1.95%	2.10%	1.75%	1.95%	2.10%	
East Water District	0.00%	0.00%	2.10%	0.00%	0.00%	0.00%	
Tin Fire Protection District	19.60%	25.00%	19.15%	19.60%	25.00%	19.15%	
Hazel Recreation & Park	6.00%	6.00%	0.00%	0.00%	0.00%	0.00%	
Winkies Unified School District	23.00%	15.00%	21.00%	23.00%	15.00%	21.00%	
Great Wizard Comm College	2.00%	2.50%	2.00%	2.00%	2.50%	2.00%	
County School Superintendent	3.50%	3.75%	3.50%	3.50%	3.75%	3.50%	
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	

Exhibit F-7

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**AB8 Process Section
Chapter D-3**

CALCULATION OF ANNUAL TAX INCREMENT

INTRODUCTION

In 1979, the Assembly Bill 8 (**AB 8**) was adopted to provide procedures for an equitable allocation of property taxes that would change in proportion with the increase or decrease of assessed values. The basic premise of AB 8 is to allocate to each **taxing jurisdiction** the amount it received in the prior year, plus the change that has occurred in the current year within its boundaries. The revenue allocation of the countywide one percent property tax levy is calculated pursuant to Revenue and Taxation Code §96.5. This section addresses the **annual tax increment (ATI)** calculation only.

MAIN TOPIC

Under the AB 8 method, the 1979-80 base amount for each local agency within a county is calculated based on the property tax allocated pursuant to §26912 of the Government Code for 1978-79 and adjusted for the 1979-80 assessed value growth. The property tax allocation percentage for each agency within a **tax rate area (TRA)** was then established. Thereafter, these percentages need to be recomputed only when there are boundary changes and only for the TRAs affected by the changes. (Example 4 is an exception to this general approach.) Any changes such as **annexations, detachments, dissolution** of districts, **formation** of new districts, city **incorporations, negotiated agreements**, etc. must be accounted for and incorporated in the computations.

Each city, county, special district, and school fund is allocated an amount of property tax revenue equal to the amount it received in the prior year plus a proportionate share of the change in property tax revenues collected in the current year. This revenue change arises from the change in assessed values in the TRAs that a city, a county, a special district, or a school district occupies. The computations, known as tax increment calculation, are done annually and are based on the **equalized roll** valuation. The following examples illustrate the different methodologies used for these annual computations.

METHODOLOGY

Example 1

1. The first step in determining the allocation of the current year property tax revenue to each taxing jurisdiction is to determine the change in assessed values for each TRA.

$$\begin{aligned} & \text{Current Year Assessed Values for a TRA} - \text{Prior Year Assessed Values for a TRA} \\ & \quad = \text{Change in Assessed Values for TRA} \end{aligned}$$

2. The next step is to determine the allocation percentage for the TRA.

$$\text{Change in Assessed Values for TRA} \div \text{Countywide total change in Assessed Values} \\ = \text{Allocation percentage for the TRA}$$

3. The countywide ATI is then determined by comparing the one percent (1%) tax levy of the current year assessed values to the prior year total allocated amount. ATI is the difference between the county's total current year tax levy and the total prior year allocation for all jurisdictions.

$$\text{Current Year Assessed Values} \times 1\% \text{ Levy} - \text{Prior Year Total Allocated Amount} \\ = \text{Countywide ATI}$$

4. This countywide ATI is then multiplied by the allocation percentage for the TRA to determine the TRA's share of the annual tax increment:

$$\text{Countywide ATI} \times \text{Allocation Percentage for the TRA} = \text{TRA's Share of the ATI}$$

Example 2:

1. The first step is to determine change of one percent (1%) tax levy for each TRA:

$$\text{Change in Assessed Values for TRA (see step 1 in Example 1)} \times 1\% \text{ Levy} \\ = \text{Change of 1\% Tax Levy for TRA}$$

2. The change of 1% tax levy for the TRA is then compared to the total change of all TRAs within the county to determine the allocation percentage, which is then used to allocate the ATI to each TRA within the county.

$$(\text{Change of 1\% Tax Levy for TRA} \div \text{Total Change of Tax Levy for all TRAs}) \times 100\% \\ = \text{Allocation Percentage for the TRA}$$

(See steps 3 & 4 in Example 1 for calculations of the ATI and the TRA's share of the ATI.)

Example 3:

The first step in this example is the same as that in Example 2. The change of 1% tax levy for a TRA is then used to increase or decrease the base amount to be allocated among all districts within a TRA using the TRA's 1% factors.

Within each TRA, the ATI is then allocated to the taxing jurisdictions by using the corresponding **TRA allocation factors** (Exhibit 1). After this process is completed for all the TRAs within the county, the total allocated ATI for each taxing jurisdiction is added to its share of the prior year allocated amount. This total is compared to the total of all jurisdictions to determine the **apportionment factor** used to distribute the current year property tax revenues.

Example 4:

This example reflects the methodology used when the allocation factors in each TRA are recalculated on an annual basis, which is an exception to the general approach.

The following hypothetical data is used to illustrate the allocation of the general tax levy dollar at the agency (fund) level:

<u>Prior Year Allocation</u>				<u>Assessed Values</u>	
County General Fund	\$2,800	80.00%	TRA	Prior	Current
City A	<u>700</u>	<u>20.00%</u>	10	\$ 80,000	\$ 90,000
Total	\$3,500	100.00 %	30	120,000	135,000
			50	<u>150,000</u>	<u>168,750</u>
				\$350,000	\$393,750

1. Distribution of prior year revenue for each agency

Step 1 is the distribution of prior year revenue for each agency by TRA. For each agency, the prior year value for each TRA is divided by the total prior year value of the agency. This provides a set of factors to distribute an agency's prior year allocated revenue.

County General Fund

<u>TRA</u>	<u>TRA Prior Year Value</u>	<u>Agency's Prior Value</u>	<u>TRA % of Prior Value</u>	<u>Agency's Prior Revenue</u>	<u>Agency's Prior Revenue in TRA</u>
10	\$ 80,000	\$350,000	22.86%	\$2,800	\$ 640.00
30	120,000	\$350,000	34.29%	\$2,800	960.00
50	<u>150,000</u>	<u>\$350,000</u>	<u>42.86%</u>	<u>\$2,800</u>	<u>1,200.00</u>
	\$350,000		100.00%		\$2,800.00

City A	<u>TRA</u>				
	10	\$ 80,000	\$ 80,000	100.00%	\$ 700
					\$ 700.00

2. Calculation of ATI by TRA

Step 2 is to calculate the ATI by TRA. The agency's prior revenue is from step 1. Prior and current values are from hypothetical data at the beginning of this example. The agency's prior revenue in TRA divided by the TRA total prior revenue equals the agency's percentage of prior revenue in the TRA. This percentage times the current value minus the prior value equals the ATI by TRA.

	Agency's Prior Revenue in TRA	TRA Total Prior Revenue	Agency's % of Prior Revenue in TRA	TRA Prior Value	TRA Current Value	ATI by TRA
TRA 10						
County	\$ 640.00	\$1,340.00	47.7612%	\$ 80,000	\$ 90,000	\$ 47.76
City A	700.00	\$1,340.00	52.2388%	\$ 80,000	\$ 90,000	\$ 52.24
	\$1,340.00		100.0000%			\$100.00
TRA 30						
County	\$ 960.00	\$ 960.00	100.0000%	\$120,000	\$135,000	\$150.00
TRA 50						
County	\$1,200.00	\$1,200.00	100.0000%	\$150,000	\$168,750	\$187.50

3. ATI Summarized by Agency

Step 3 totals the ATI calculated in step 2 at an agency level. These totals will be used in step 4.

County	ATI by TRA
TRA 10	\$ 47.76
TRA 30	150.00
TRA 50	187.50
Total	<u>\$385.26</u>
City A	
TRA 10	\$ 52.24

4. Calculation of Current Year Allocation

Step 4 calculates the current year allocation for each agency by adding the ATI from step 3 to the prior year allocation (see hypothetical data at the beginning of Example 3). This step also provides percentages for the distribution of revenue.

	(1) Prior year allocation	(2) Agency's annual tax increment	(3) Current year allocated revenue (1) + (2)	Allocation percentage
County	\$2,800.00	\$385.26	\$3,185.26	80.8955%
City A	700.00	52.24	752.24	19.1045%
Total	\$3,500.00	\$437.50	\$3,937.50	100.0000%

RELATED TOPICS AND/OR CHECKLISTS

Jurisdictional Changes
Historical Background
Education Revenue Augmentation Fund (ERAF)
Tax Equity Allocations (TEA)
Redevelopment Agency (RDA)

Exhibit 1
Allocation of the Annual Tax Increment within a Tax Rate Area and Allocation of the Current Year
Property Tax Revenue by Tax Rate Area

The following assumptions are used for this example:

Example 1:

Current Year Assessed Values for TRA 112-085	\$12,000,000
Prior Year Assessed Values for TRA 112-085	- <u>10,000,000</u>
Change in Assessed Values	= \$ 2,000,000
Countywide total change in Assessed Values	<u>÷ \$10,000,000</u>
Allocation percentage for TRA 112-085	= 20%
Countywide ATI (\$50,000,000 x 1%) - \$400,000	<u>x \$ 100,000</u>
TRA 112-085's share of the Countywide ATI	<u>= \$ 20,000</u>

Example 2:

Current Year Assessed Values for TRA 112-085	\$12,000,000
Prior Year Assessed Values for TRA 112-085	- <u>10,000,000</u>
Change in Assessed Values	= \$ 2,000,000
Multiply Change by 1%	<u>x 1%</u>
Change of 1% Tax Levy for TRA 112-085	= \$ 20,000
Total Change of Tax Levy for all TRAs	<u>÷ \$ 100,000</u>
Allocation percentage for TRA 112-085	= 20%
Countywide ATI	<u>x \$ 100,000</u>
TRA 112-085's share of the Countywide ATI	<u>= \$ 20,000</u>

Example 3:

Current Year Assessed Value for TRA 112-085	\$12,000,000
Prior Year Assessed Value for TRA 112-085	- <u>10,000,000</u>
Change in Assessed Values	= \$ 2,000,000
Multiply Change by 1%	<u>x 1%</u>
Increase in base amount to be allocated among all districts within TRA using TRA 1% factors	<u>= \$ 20,000</u>

Exhibit 1-1

Computation of Total Revenue Allocated to TRA 112-085

TRA 112-085 Taxing Jurisdiction	(1) TRA Allocation Factor	(2) Annual Tax Increment Revenue (1) x ATI in Assumptions	(3) Prior Year Allocated Revenue	(4) Total Revenue to TRA 112-085 (2) + (3)
County General Fund	36.87121	\$ 7,374	\$ 36,871	\$ 44,245
Air Pollution Control	0.12422	25	124	149
Yellow Brick Road	0.73254	146	733	879
County Library	2.40831	482	2,408	2,890
Port Garland Harbor	1.98267	396	1,983	2,379
Palace of Oz Water District	0.46827	94	468	562
Toto Water Controls	0.37936	76	379	455
Great Head Flood Control	0.70149	140	702	842
Garland Unified	43.89519	8,779	43,895	52,674
Great Wizard College	7.80889	1,562	7,809	9,371
County School Service	4.62785	926	4,628	5,554
	<u>100.00000</u>	<u>\$ 20,000</u>	<u>\$100,000</u>	<u>\$120,000</u>

Exhibit 1-2

Exhibit 2
Computation of Apportionment Factors Used to Allocate Current Year Property Tax Revenues

Taxing Jurisdiction	(1) Total Revenue to TRA 112-085 (from Exhibit 1)	(2) Total Revenue to TRA 112-090	(3) Total Revenue To TRA 112-095	(4) Total Revenue (1) + (2) + (3)	AB 8 Apportionment Factor (4) ÷ Total CY Property Tax Revenue
County General Fund	44,245	35,000	170,000	249,245	49.8490 %
Air Pollution Control	149		1,000	1,149	0.2298 %
Yellow Brick Roads	879		500	1,379	0.2758 %
County Library	2,890		20,000	22,890	4.5780 %
Port Garland Harbor	2,379	24,000		26,379	5.2758 %
Palace of Oz Water District	562	1,000		1,562	0.3124 %
Toto Water Controls	455	1,500		1,955	0.3910 %
Great Head Flood Control	842	5,000		5,842	1.1684 %
Garland Unified	52,674	10,000		62,674	12.5348 %
Great Wizard College	9,371		20,500	29,871	5.9742 %
County School Service	5,554	1,500	90,000	97,054	19.4108 %
	120,000	78,000	302,000	500,000	100.0000 %

Exhibit 2

**AB8 Process Section
Chapter D-4**

**Tax Equity Allocations
(also known as TEA or No/Low)**

INTRODUCTION

Prior to **Proposition 13**, counties, cities and special districts each imposed their own annual tax rates in order to raise the revenue needed to operate. Proposition 13 changed all that, instead imposing a cap on the total property tax rate that could be imposed without voter approval.

In implementing the new law, under **AB 8**, the existing taxes collected throughout each county were proportionately compressed down to the 1% amount, thus, establishing a “base” amount for each agency. Of course, the result was that if you were an agency that imposed no taxes, or very little taxes, the amount of base you ended up with after AB 8 was little or nothing. Making things worse, new taxes could not be imposed without voter approval. No and low taxing agencies were left with virtually no way out.

In order to rectify this situation for cities, at least to some extent, **Tax Equity Allocations (TEA)** were legislated. If a city qualifies for TEA, the TEA supplants the amount that otherwise would be allocated under AB 8. Here’s a brief summary of the legislative history:

Assembly Bill 709, Chapter 1211 Statutes of 1987, the first TEA legislation, required 17 Counties to shift some of their own property taxes to 49 “qualifying” cities. The original plan was to shift 10% of the taxes generated within the city boundaries to the cities over a 10-year period of time. Refer to Exhibit 1 for the list of counties with TEA or No/Low cities.

Assembly Bill 1197, Chapter 944 Statutes of 1988, revised and added to the sections established by AB 709. It amended Revenue and Taxation Code §97, §97.5, §98 and §98.6, and repealed §97.35, providing amongst other things, that most qualifying cities receive 7% of the property tax revenues generated within their boundaries, phased in over a 7 year period, beginning in the 1989-90 fiscal year. In addition, AB 1197 took into account the impact of redevelopment and incremental growth, and added certain other adjustments to the calculation.

Several additional bills have been passed over the years, primarily to clarify implementation issues or provide special provisions for particular cities or counties. The two bills above, however, were the original laws and provided the basic framework still in effect today. If a TEA City has or had a former Redevelopment Agency, refer to the City of Scotts Valley v. County of Santa Cruz (Case Number A126357, October 26, 2011, Court of Appeal, First District, Division 1) for further instructions regarding the calculation.

MAIN TOPIC

There are two basic criteria that either or both must be met for a city to “qualify” for additional taxes from the TEA formula:

1. No Property Tax Cities are those that levied no tax rate in 1975-76, 1976-77 or 1977-78.
2. Low Property Tax Cities are those that receive less than 7% of the total taxes within the city for all jurisdictions.

Thus, a qualifying city is one that under AB 8, as of **fiscal year** 1988-89, would receive less than 7% of the total tax generated within the city boundaries, net of redevelopment increment lost. Here’s a calculation method to determine which cities in your county are “qualifying cities”:

The Calculation that Determines if a City Qualifies for TEA

1. Calculate the amount of taxes that in fiscal year 1988-89 would be allocated to the city under AB 8, net of redevelopment increment lost.
2. Calculate the total amount of tax generated within the city boundaries, net of redevelopment increment lost, and
3. Divide the first number by the second and see if the total is less than .07. If so, the city qualifies.

Note: To determine the amounts lost to redevelopment, look at the taxes generated within the city boundaries, and perform the following calculation:

- A. Identify the amount of those taxes allocated to any **redevelopment agency (RDA)**.
- B. Then subtract **pass-through** payments made to **jurisdictions** other than the city under Health & Safety Code §33401 and §33676, and payments made under Health & Safety Code §33445.5¹.
- C. The net is the amount “lost to redevelopment” for TEA purposes.

General Explanation of the Calculation of TEA

In addition to the straight phase in of the 7% (illustrated in the “Methodologies” section below), there are several additional adjustments that may apply each year when calculating the amounts to be allocated (all of which are described in Revenue and Taxation Code §98 (e)(f)(g) and (i)):

¹ Some of this information may not be available/maintained by the County. Request what you need from the Redevelopment Agency. If unavailable, use the information you do have to complete the calculation.

1. The Auditor may charge qualifying cities the cost of preparing the calculations, with certain limitations.
2. The Auditor shall reduce the amount of TEA if the city reduces the rate or base of any general or special tax first imposed prior to January 1, 1988.
3. The Auditor shall make an adjustment reducing the TEA for certain property taxes allocated to city dependent special districts.
4. The Auditor shall reduce the amount of TEA if the amount allocated would exceed the city's **Gann Limit**.

ADDITIONAL CONSIDERATIONS:

In no event should the amount allocated to a qualifying city be less than the amount they would have received without TEA.

There were special provisions in the legislation for certain counties, so you should review the code sections referenced above to see if your County was affected.

METHODOLOGY

Primary Methodology (Step by step): See Exhibit 3

1. In fiscal year 1988-89, the County determined which, if any, of its cities were "qualifying cities". (See above for 3-step calculation method). If there were qualifying cities, the County Auditor must prepare TEA calculations each year, for each one, as described below in 2. TEA calculation documents are often requested by the State Controller's Office as part of their audit process.
2. Year 1 (FY 1989-90):
 - A. For each qualifying city, take the amount of current year assessed value generated within the city's boundaries, net of redevelopment increment lost (a current year version of the amount from step 2 in the qualification calculation) and multiply it by 1%.
 - B. Identify any of the required reductions outlined in §98 (e)(f)(g) and (i) that apply, and calculate the required reductions.
 - C. Subtract the amount in B from the amount in A, and compare this total to the total taxes the city would receive without TEA, net of what the city lost to its RDA, but before the city's contribution to **Educational Revenue Augmentation Fund (ERAF)**.
 - D. If the TEA amount is greater, then transfer the TEA amount from the county to the city instead of making the normal AB 8 allocation. If the TEA amount is less, then allocate taxes normally. (Note that for practical purposes, if there is a TEA allocation, you may want to allocate the AB 8 amount and make an additional allocation for the incremental difference.)

- E. Update your base tax and increment **allocation factors** in each of the city's tax rate areas for these additional amounts so that next year when you add growth, you're adding it to the correct 1989-90 base and allocating it in the proper amount. Allocate the additional amounts to all tax rate areas within the city in proportion to each tax rate area's share of the total **assessed valuation** for the current fiscal year. Reduce the County's base tax in each tax rate area accordingly.

Year 2 (FY 1990-91):

Same as for Year 1, except use fiscal year 1990-91 current year taxes generated within the city's boundaries in step 2.A. and multiply it by 2% instead of 1%. Again, (from D above) for practical purposes, if there is a TEA allocation, you may want to allocate the AB 8 amount and make a separate allocation for the incremental difference. Afterwards (see 2.E. above), you need to take it to the tax rate area level prior to adding in next year's growth.

Year 3 (FY 1991-92):

Same as for Year 1, except use fiscal year 1991-92 current year taxes generated within the city's boundaries in step 2.A. and multiply it by 3%.

Year 4 (FY 1992-93):

Same as for Year 1, except use fiscal year 1992-93 current year taxes generated within the city's boundaries in step 2.A. and multiply it by 4%.

Year 5 (FY 1993-94):

Same as for Year 1, except use fiscal year 1993-94 current year taxes generated within the city's boundaries in step 2.A. and multiply it by 5%.

Year 6 (FY 1994-95):

Same as for Year 1, except use fiscal year 1994-95 current year taxes generated within the city's boundaries in step 2.A. and multiply it by 6%.

Year 7 (FY 1995-96) And Each Year Thereafter:

Same as for Year 1, except use this year's current year taxes generated within the city's boundaries in step 2.A. and multiply it by 7%.

ERAF Note: In addition to this process, ERAF legislation in 1992-93 and 1993-94 required that property taxes are shifted from all jurisdictions to the schools. General practice, and one that has passed State Audit, has been to calculate AB 8, then TEA allocations, and then make the shifts to ERAF. As a result, qualifying cities participate in the shift and actually receive less than the calculated TEA amount. Individual counties may have calculated **tax retention rates** during the implementation of ERAF and these may be used to calculate a "retained TEA amount" to compare with the AB 8 amount.

(See the Flowchart on Exhibit 2)

ALTERNATIVE METHODOLOGY

Some counties have implemented this at the *jurisdictional* level, rather than at the **Tax Rate Area (TRA)** level. Some adjustments are made to the calculation steps. However, other than adjusting the method to perform the comparisons jurisdictionally rather than by TRA, there are no material differences between the two methods.

ACCOUNTING TREATMENT

There are no special entries for TEA. Treat all activity as allocations of property tax.

RELATED TOPICS

Redevelopment
Annexations/Property Tax Exchanges
Increment Allocation Factors
Annual AB 8 Calculation
Property Tax Administration Fees
ERAF-Property Tax Shift

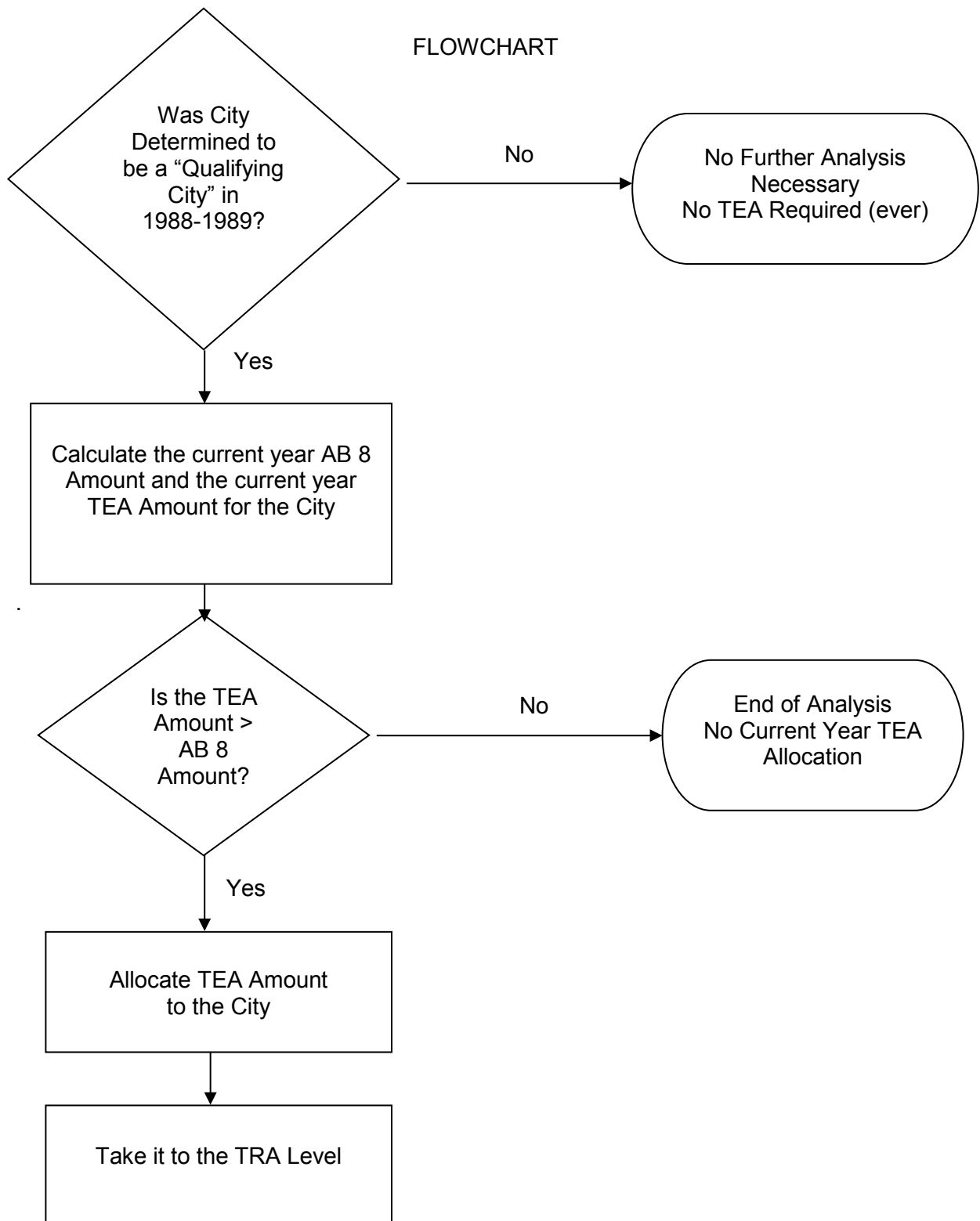
List of Counties with TEA or No/Low Cities:

County	No. of TEA or No/Low Cities	Name of Cities	No. of RDA's in TEA or No/Low Cities	Methodology Implemented [Jurisdictional/TRA Level]
Contra Costa	5	Pleasant Hill, Lafayette, Danville, Moraga, Orinda	3	Jurisdictional
Kern	1	Arvin	1	TRA
Los Angeles	30	Artesia, Bellflower, Carson, Commerce, Cudahy, Cerritos, La Puente, Lawndale, La Mirada, Lomita, La Canada Flintridge, Norwalk, Palmdale, Paramount, Pico Rivera, Rosemead, Rolling Hills Est, South El Monte, Temple City, Bell, El Segundo, Hidden Hills, Lakewood, Lancaster, Rancho P.V., Rolling Hills, Signal Hill, South Gate, Walnut, Westlake Village	23	Jurisdictional
Orange	1	Irvine	1	Jurisdictional
Riverside	4	La Quinta, Indian Wells, Rancho Mirage, Palm Desert	4	Jurisdictional
San Bernardino	2	Victorville, Rancho Cucamonga	2	TRA
San Mateo	4	Half Moon Bay, Portola Valley, Woodside, Colma	0	Jurisdictional
Santa Clara	4	Cupertino, Saratoga, Los Altos Hills, Monte Sereno	1	Jurisdictional
Santa Cruz	1	Scotts Valley	1	Jurisdictional
Ventura	3	Camarillo, Thousand Oaks, Simi Valley	3	TRA

TOTALS 55

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FLOWCHART



Example of Primary Methodology

For purposes of the example, original amounts for **assessed value (AV)**, loss to redevelopment, and AB 8 were selected for ease of calculation. For 1997-98, the AB 8 AV growth and loss to redevelopment amounts were selected to illustrate the impact of growth on the calculation. The ERAF retention factor used was 92%.

Qualifying Calculation for City #1 (Performed in fiscal year 1989-90)

1. FY 1988-89 AB 8 Allocation, net of redevelopment increment lost \$1,000
2. FY 1988-89 Total Taxes Generated within the city's boundaries,
net of redevelopment increment lost.

(AV x 1%, less amount allocated to redevelopment)
 $\$20,000,000 \times 1\% = \$200,000 - \$100,000 =$ \$100,000
3. 1 Divided by 2 = $1,000/100,000 = .01$.01

Conclusion: .01 < .07, therefore city #1 is a "qualifying city" under TEA.

The Annual TEA Calculation for City #1 (This example is for FY 1997-98):

1. Calculate current year AB 8 Amount, adjusted for RDA loss: \$7,228
(Refer to the chapter explaining how to perform
the annual AB 8 calculation.) *Base + Increment – city's loss to RDA net of pass-through*

2. Calculate Current Year TEA Amount:

A.	AV x 1% = \$25,000,000 x 1% =	\$250,000
	less amount allocated to Redevelopment	(150,000)
	plus Redevelopment pass-through	<u>20,000</u>
	Net Redevelopment increment lost	(130,000)
	Subtotal	\$120,000
	times 7% =	\$8,400
	times City #1's ERAF Retention Factor (ERAF Retention Factor used = 92%)	\$7,728
B.	Less Adjustments to TEA Amount:	
	Gann Limit	0
	Dependent Special Districts	0
	City taxes reduced	<u>0</u>
C.	Current Year TEA Amount	<u>\$7,228</u>

D. Compare the AB 8 Amount to the TEA Amount:

$\$7,728 > \$7,228$

TEA Amount is Greater, by

\$500

So, in 1997-98, we allocate \$7,728 to City #1, instead of \$7,228.

E. Take the \$500 increase in taxes allocated to the city to the TRA level. (Allocate the increase among the tax rate areas proportionately based on tax rate area AV.)

Section: AB8 Process
Chapter D-5

**EDUCATIONAL REVENUE AUGMENTATION FUND
(ERAF)**

Part 1: ERAF I & II

Part 2: Excess, Negative, and Insufficient ERAF

Part 1: ERAF I & II

INTRODUCTION

In 1992/93 and 1993/94, to resolve a serious budget deficit, the State legislature permanently shifted over \$3 billion of annual **AB8** property tax revenue from counties, cities, and **special districts** to the **Educational Revenue Augmentation Fund (ERAF)**. Statewide, this represented approximately 17% of AB8 property tax revenue.

The State budget benefited because California schools are guaranteed a minimum amount of funding based on their **average daily attendance (ADA)**. To the extent that property tax revenue does not meet this minimum requirement, the State must cover the difference from its general fund revenues. Thus the increased property tax revenue apportioned to schools decreased the State's obligation to support schools, but provided no increase in school revenue. The ERAF shift is sometimes perceived as a revenue transfer to the State because it freed State general fund revenues for discretionary purposes.

The **ERAF I and II** property tax shift to the ERAF fund occurred in 1992/93 (ERAF I) and 1993/94 (ERAF II) with significant modifications in 1994/95. The County Accounting Standards and Procedures Committee, a sub-committee of the State Association of County Auditors, approved four sets of "Uniform Guidelines for California Counties" to assist counties with the implementation of the property tax shift. See Section G, Existing Guidelines. Briefly, these 4 guidelines covered the following items:

- The October 1992 Guidelines cover the implementation of Senate Bill 617, SB844, and SB1559 for the 1992/93 tax year. This set of guidelines provides details of the specific Code requirements, plus instructions and models for implementation of the 1992/93 revenue shift to ERAF.
- The October 1993 Guidelines address 1993 Legislative Session bills from both the Senate and Assembly, specifically SB1135, SB837, AB1519, AB557, and AB2371. These guidelines describe and demonstrate the 1993/94 ERAF I & II shift process.
- The October 1994 addendum to the 1993/94 Guidelines covered implementation of AB860. This covered the retroactive changes to prior year ERAF shift calculations, including the exclusion of ERAF from its share of **Redevelopment Agency (RDA) tax increment** where it would erode the original shift amounts.
- The December 1997 second addendum to the 1993/94 Guidelines covered implementation of AB1589 and SB431. This covered Library ERAF, Fire Service District or Department ERAF and the Teeter Credit.

Please refer to these Guidelines for more background and specific details and examples of the shift calculations. Additional legislation was passed which affected specific counties or groups of counties for which no guidelines were written.

A temporary additional shift, **ERAF III**, was required in 2004/05 and 2005/06 by SB1096 as amended by AB2115 (ERAF III). For specifics on the implementation of this shift, see Chapter C-9, SB1096 Gymnastics: ERAF III, **VLF Swap**, and the Triple Flip and also see The Uniform Guidelines for the Implementation of Senate Bill 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond.

MAIN TOPIC

The ERAF shift of AB8 property tax revenue was defined differently for counties, cities, special districts and RDAs for both 1992/93 and 1993/94. For the counties and cities, one shift was based on population for each of the two years. An additional shift for the counties and cities was a fixed shift amount specified by the State. In 1992/93 cities and some special districts were required to shift a specific percentage of revenue. In 1993/94, special districts participating in the **special district augmentation fund (SDAF)** shifted their SDAF share to ERAF, and the special district augmentation process was abolished except for counties with special legislation.

RDAs did not shift revenues like the other **jurisdictions**. The State provided the counties with a list of affected projects and the amounts they were required to pay to the county for ERAF. This lasted only for the first three years, 1992/93-1994/95.

Except for the RDA payments and the 1992/93 per capita shift (see below), the revenue shifted to ERAF was permanent. This entitles ERAF to the base shift amounts plus a share in each year's **annual tax increment (ATI)**. When the shift is taken to the **Tax Rate Area (TRA)** level, the ATI accrues through the normal AB8 process. However, when computing the RDA tax increment loss, the original shift amount must be preserved. Counties are also authorized to compute the ERAF portion of the AB8 process on a jurisdiction level. In this case, other provisions apply which require that the effect be substantially the same as TRA level computation. Each county would achieve this based on their AB8 methodology.

Because ERAF I & II are components of the AB8 tax revenue, they affect any process in which AB8 is involved, including jurisdictional changes, the **tax equity allocations (TEA)**, **unitary** tax (after growth exceeds 2% in any year), supplementals, redevelopment, and the property tax administration cost recovery calculations (SB2557). NOTE: ERAF III is not a component of the AB8 tax revenue; it does not affect jurisdictional changes, the tax equity allocations, unitary tax (after growth exceeds 2% in any year), supplementals, and redevelopment increment calculations. It does affect the property tax administration cost recovery calculations for 2004-05 and 2005-06 only.

METHODOLOGY

Historical Implementation

1992/93 ERAF Shift (AKA ERAF I):

The following tax reductions were made to prior year revenue, before ATI allocations. The 1992/93 Per Capita Shift [R&T Code §97 (a)] was a one-time reduction and not incorporated into the permanent ERAF I shift.

- The per capita reduction for each county, or city and county, (i.e. the city and county of San Francisco) was determined by multiplying the given population by \$1.92.
- The per capita reduction for each city or city and county was determined by multiplying the given population by \$1.65.

Table 1: Per Capita Shift Model

Jurisdiction	Population	Per Capita Multiplier	Population Based Shift
County of Oz	144,089	1.92	276,650.88
City of Toto	1,555	1.65	2,565.75
Emerald City	61,594	1.65	101,630.10
Glass City	10,952	1.65	18,070.80
Mist City	18,456	1.65	30,452.40
Mangaboo City	30,087	1.65	49,643.55

The 1992/93 fixed shift [R&T Code §97.2] was permanent. The total statewide shift for counties was \$5,000,000 and for cities it was \$15,000,000.

- County tax revenue allocated in the prior fiscal year was reduced by the amounts given in R&T Code §97.2(a)(1) multiplied by .953649.
- City tax revenue allocated in the prior fiscal year was reduced by 9% per §97.2(b)(1). The 9% shift amount was computed on city tax net of their RDA increment loss.

Table 2: Calculation of 1992/93 County/City ERAF Shift

Jurisdiction	91/92 AB8	91/92 RDA TI	91/92 Net Tax	9% of City Tax	County Flat Shift
County of Oz	20,584,113	(2,556,048)	18,028,065		1,917,187
City of Toto	103,685		103,685	9,332	
Emerald City	5,599,457	(1,627,038)	3,972,419	357,518	
Glass City	995,664		995,664	89,610	
Mist City	1,677,851	(142,211)	1,535,640	138,208	
Mangaboo City	2,735,217		2,735,217	246,170	

A temporary reduction was allowed for parts of the State that had recently experienced a federally declared disaster (commonly referred to as disaster relief). These were primarily the Northridge and Loma Prieta Earthquakes and the Oakland Hills fire.

- For a county and/or city affected by a federally declared disaster between 10/1/89 and 10/92, the shifted amount was reduced by an amount provided by the State Department of Finance (DOF).
- The disaster relief was reversed in 1997/98. The ERAF shift from the affected jurisdictions was increased by an amount equal to the original disaster relief prior to adding the 1997/98 growth. Other than that one year's growth, the relief amount received no growth for fiscal years 1993/94 through 1996/97 per R&T Code §97.2(e)

Table 3: County & City Shift Summary with Disaster Relief

Jurisdiction	9% City Shift	County Fixed Shift	Population Based Shift	Disaster Relief	Shift Amount before Growth
County of Oz		1,917,187	276,650.88	(163,721)	2,030,116.88
City of Toto	9,332		2,565.75	(1,294)	10,603.75
Emerald City	357,518		101,630.10	(22,838)	436,310.10
Glass City	89,610		18,070.80	(2,005)	105,675.80
Mist City	138,208		30,452.40	(6,785)	161,875.40
Mangaboo City	246,170		49,643.55	(4,746)	291,067.55

The 1992/93 **special district** shift was set at the lesser of 35% of prior year AB8 revenue or 10% of total annual revenues as reported in the 1989/90 State Controller's Report on Financial Transactions Concerning Special Districts per R&T Code §97.2(c). However, if the revenue obtained statewide from special districts was less than \$350 million, the percentage of AB8 tax shifted was to be increased from 35% to 40%. Also, the following conditions were considered in computing the special district shift:

- If the district did not exist in 1989/90 the revenue for the first full **fiscal year** available was used to compute their 10% of total annual revenue portion.
- Revenues pledged to **debt service** in the 91/92 fiscal year could be excluded from total annual revenues if the debt was issued for the acquisition of capital assets.
- **Multicounty** districts, local hospital districts, and city-dependent districts were excluded from the 1992/93 shift.
- For a countywide water agency that did not sell water at retail, the shift was limited to 10% of taxes.
- Since the total shift from special districts did not equal or exceed \$375,000,000, later in the year the reduction to special districts was increased by 5%. In some cases this moved districts to the 10% of total revenues category. R&T Code §97.2(c)(3)(A).
- There are additional exclusions and limits in R&T Code §97.2 (c) & (d) for specific districts, cities and counties.

Table 4 provides examples of the various special district shift calculations, including the selection of whether they shifted 40% of tax or 10% of total revenues. Note that only the Flying Monkey Airport has sufficient non-tax revenue to be in the 40% of tax category.

Table 4: Special District Shift Calculations

Taxing Jurisdiction	Exempt	40 % of TAX REVENUE				10 % of GROSS REVENUE				Selected Shift before Growth
		91/92 Total Allocation	91/92 RDA Increment	Adjusted 91/92 Tax Revenue	Special Dist 40% Reduction to Tax Rev.	Preliminary 89/90 Gross (State Rept)	89-90 Debt Svc Pymnts	Adjusted Gross Revenue	Alternate 10% Reduction to All Rev.	
County of Oz Vector Control		1,646,730	(204,485)	1,442,245	576,898	1,658,582		1,658,582	165,858	165,858
Flying Monkey Airport		731,250	(110,784)	620,466	248,186	3,102,330	(350,000)	2,752,330	275,233	248,186
Yellow Brick Road Cemetery		668,381		668,381	267,352	1,002,572		1,002,572	100,257	100,257
Poppy Field Res Conservation District		3,322,012	(663,995)	2,658,017	1,063,207	2,525,116		2,525,116	252,512	252,512
Wicked Witch Water Conservation Dist		23,108		23,108	9,243	21,953		21,953	2,195	2,195
Uncle Henry Air Quality Mgmt District		1,235,052	(153,362)	1,081,690	432,676	1,027,606	(50,000)	977,606	97,761	97,761
Toto Water Control District		298,470		298,470	119,388	283,547		283,547	28,355	28,355
Dry Well Fire Protection District		5,439,220	(177,763)	5,261,457	2,104,583	4,998,384		4,998,384	499,838	499,838
Tin Man Hospital	X	344,616	(110,299)	234,317	93,727			0	0	0
Deadly Desert Open Space District		401,210		401,210	160,484	381,150		381,150	38,115	38,115
Port Garland Harbor	X	834,782		834,782	333,913			0	0	0
Guardian Transit District		2,936,912	(542,346)	2,394,566	957,826	7,063,970		7,063,970	706,397	706,397
Ruby Slippers Transit District (multi-co)	X	103,983		103,983	41,593			0	0	0
Glinda Good Witch Water District		673,955		673,955	269,582	1,988,167		1,988,167	198,817	198,817
Palace of Oz Water District		2,022,028	(587,542)	1,434,486	573,794	3,944,837	100,000	4,044,837	404,484	404,484

1992/93 Calculation of the ERAF Growth

In 1992/93 few counties took ERAF I to the TRA level. Most counties needed an alternate method for computing the ATI for ERAF. Because the growth on the amount shifted to ERAF should reflect the growth of the "source" jurisdictions, the model in Table 5 was used. RDA increment was deducted from the AB8 tax of affected jurisdictions before computing the 1992/93 net growth over 1991/92. The growth factor was applied to the ERAF shift to determine the 1992/93 ERAF AB8 tax revenue.

Table 5 is a model reflecting the basic growth calculation. The October 1992 ERAF Shift Guidelines provide a more detailed explanation and model for calculating the annual ERAF growth for use by counties that did not take the shift to the TRA level.

Table 5: ERAF Growth Factors

Jurisdiction Name	1991/92			1992/93			1992/93
	Tax	RDA Incr	Net	Tax	RDA Incr	Net	Growth %
County of Oz	20,584,113	(2,556,048)	18,028,065	21,462,796	(2,708,665)	18,754,131	104.027%
City of Toto	103,685		103,685	107,130		107,130	103.323%
Emerald City	5,599,457	(1,627,038)	3,972,419	5,838,769	(1,727,263)	4,111,506	103.501%
Glass City	995,664		995,664	1,055,070	0	1,055,070	105.967%
Mist City	1,677,851	(142,211)	1,535,640	1,741,718	(148,651)	1,593,067	103.740%
Mangaboo City	2,735,217		2,735,217	2,843,677		2,843,677	103.965%
Toto Water Control Dist	298,470		298,470	312,789		312,789	104.798%
Dry Well Fire Dist	5,439,220	(177,763)	5,261,457	5,646,576	(185,813)	5,460,763	103.788%
Oz County Fire Dist	7,352,533	(1,898,212)	5,454,321	7,661,717	(2,015,142)	5,646,575	103.525%

1992/93 Allocation from ERAF to School Districts

The tax revenue shifted in 1992/93 to ERAF was reallocated to local school districts based on their level of state funding in accordance with R&T Code §97.2(d). **Basic aid school** districts receive full funding from their share of property tax revenue and are excluded from receiving ERAF allocations. The following items are considered in the allocation of ERAF revenue to the school districts.

- The amount of taxes shifted is divided between the county office of education and K-12 school districts in total and community colleges in total in the same proportion as they were distributed between the two groups in 1991/92 per §97.2(d)(1). This became the permanent split between the two in 1992/93 and is not recomputed annually.
- The County Superintendent of Schools determines how much each school district and the county office of education shall receive from their portion of ERAF. Basic aid schools receive no ERAF per §97.2(d)(2).
- The Chancellor of the California Community Colleges determines the amount of ERAF due to each community college district from their portion. They report the amounts annually to the county auditor-controllers per §97.2(d)(3).
- The taxes allocated to ERAF shall be tax revenue **deemed allocated** in the prior fiscal year for purposes of allocations for the 1993/94 fiscal year per §97.2(d)(5), confirming that the shift is a permanent tax base for ERAF on which to build future years' ATI.

Table 6: Calculating the Split between K-12 and the Community Colleges

AB8 Jurisdiction	1991/92 Tax Revenue	Percent Share
<u>K-12 and Co Office of Education</u>		
Cowardly Lion Elementary School District	3,533,165	
Lost Boys Elem Jt	207,059	
Munchkin Elem School District	638,996	
Growleywogs High School District	5,466,741	
Emerald Unified School District	15,696,643	
Yellow Brick Unif School District	18,708,717	
County of Oz Office of Education	<u>2,470,095</u>	
K-12 and Co Office of Education TOTAL	46,721,416	93.1242%
<u>Community Colleges</u>		
Great Wizard Community College	780,962	
Oz Community College	<u>2,668,685</u>	
Community Colleges TOTAL	3,449,647	<u>6.8758%</u>
TOTAL School Revenue	50,171,063	100.0000%

See the October 1992 ERAF Shift Guidelines for a more detailed explanation and models of the 1992/93 ERAF shift process.

1993/94 ERAF Shift (AKA ERAF II)

As with the 1992/93 Shift, all amounts are calculated on the prior year (deemed allocated) tax before the addition of the ATI.

For each county or city and county, there was an additional fixed shift in 1993/94. The State's target of \$1.998 billion was allocated by the DOF based proportionately on numbers defined in R&T Code §97.3(a)(2) for each county or city and county. Finance then reported the specific amounts to the county auditor-controllers. Each city or city and county also had an additional fixed shift in 1993/94. The State legislature set the new shift total from the cities at \$288 million and directed the DOF to compute each city or city and county's share based on steps defined in R&T Code §97.3(b).

Counties implementing the ***alternate method of apportionment (Teeter Plan)*** (R&T Code §4701) were allowed a one-time credit to the ERAF shift. This amount was equivalent to the net benefit of the ***Teeter buy-out*** to schools receiving State funding per §97.3(a)(5). The five (5) counties already on the Teeter Plan could not take advantage of this option.

The 1993/94 per capita shift was originally \$1.02 per person for cities and \$0.80 per person for counties. AB860, passed in 1994 retroactively reduced the per capita amounts to \$0.99 per person for each city or city and county and to \$0.78 per person for each county or city and county. This time the per capita shift was a permanent reduction to city and county revenues, replacing the one time only 1992/93 per resident reduction.

The computation method for the 1993/94 per capita shift is the same as the one used for the 1992/93 per capita shift shown in Table 1. The additional shift amounts for the cities and counties were added to the 1992/93 shift amounts (less the 1992/93 one-time per capita) before computing the 1993/94 ATI growth. The October 1993 Guidelines provide models and detailed instructions.

The 1993/94 additional shift from special districts provided a net increase of \$244 million to ERAF to replace State funding of schools. R&T Code §97.3(c) and the October 1993 Guidelines provide the details for treatment of the different special district types.

The passage of ***Proposition 13*** in 1979 left many districts with serious deficits. To relieve the deficit, the State provided bailout by transferring school district taxes to affected jurisdictions. For special districts this transfer became formalized with the creation of SDAF. The goal of the 1993/94 special district shift was to return the SDAF revenue to the schools that had not been recovered in the 1992/93 shift. There were again exclusions for hospital districts, multi-county districts, and water agencies not selling water at retail. Transit districts were added to the group of excluded jurisdictions in 1993/94. City-governed special districts participating in SDAF were required to shift 38% of their SDAF bailout equivalent.

A special district's net 1992/93 AB8 tax was multiplied by its SDAF factor to determine the current value of the 1979 bailout. The 1992/93 shift was deducted from this amount to determine the remaining bailout equivalent to shift in 1993/94. If a special district had no SDAF factor, it had no additional 1993/94 ERAF II shift. The 1993/94 shift effectively returned the SDAF funding to schools and SDAF was abolished.

Table 7: 1993/94 Special District Shift Excluding Fire

Local Special Districts	92/93 Bail-Out Equivalent Calculation			Reductions to Shift		Net 93/94 Amount Added to 92/93 Shift
	92/93 AB8 Net of RDA	SDAF Factor	92/93 Bail-out Equivalent	92/93 Shift to ERAF	City Dist Exclusion	
County of Oz Vector Control	1,500,331	0.125876	188,855.66	172,538.12		16,317.54
Yellow Brick Road Cemetery	693,886			104,082.86		0.00
Poppy Field Res Conservation	2,773,881	0.036941	102,469.94	263,518.60		0.00
Shifting Sands Res Conservation	3,185,069	0.059372	189,103.92	302,581.66		0.00
Toto Water Control District	312,789			29,714.96		0.00
Tin Man Hospital	238,625			0.00		0.00
Auntie Em Library District	1,265,872	0.168330	213,084.23	209,227.25		3,856.98
Yellow Brick Rd Maintenance Dist	517,251			49,138.87		0.00
Cowardly Lion Police Prot CSA	310,496	0.248730	77,229.67	29,497.14		47,732.53
Port Garland Harbor	884,869			0.00		0.00
Lyman Frank Baum Rec & Pk Dist	11,252,480	0.115480	1,299,436.39	1,068,985.16		230,451.23
Toto Sanitation District	696,348	0.147930	103,010.76	0.00	63,866.67	39,144.09
Guardian Transit District	2,494,771			735,957.56		0.00
Ruby Slippers Transit (multi-co)	107,480			0.00		0.00
Palace of Oz Water District	1,484,711			418,645.84		0.00

In response to concerns for public safety, provisions were included to maintain the tax revenue of fire protection districts at their 1992/93 levels, including their SDAF revenue. Many fire districts received a positive shift as a result of these provisions. In Table 8, this shows as a negative because the revenue is a deduction from ERAF instead of a contribution.

Table 8: Fire District Shift

Fire Districts	1992/93 Bail-Out Equivalent Calculation					Dependent	Independent Fire Dist		Net 93/94
	92/93 AB8 Net of RDA	92/93 ERAF Shift	Base Tax for the Bail-Out Calculation	SDAF Factor	92/93 Bail- out Equivalent	92/93 SDAF Revenue	92/93 SDAF Contribution	Bail-Out > SDAF Contribution	Amount Added to 92/93 Shift
Dry Well Fire	5,460,763	(499,838)	4,960,925	0.45973	2,280,686	1,450,000	(1,573,000)	707,686	123,000
Oz County Fire	5,646,575	(518,161)	5,128,415	0.39512	2,026,339	2,420,000			(393,661)
Scarecrow Fire	1,289,529	(115,608)	1,173,922	0.46851	549,994	750,000			(200,006)

TABLES 7 & 8 show the calculation methodology for a few of the special district shift calculations. These amounts would be added to the districts' 1992/93 shift before the computation of the 1993/94 ERAF amount. Please review the October 1993 Guidelines for more complete models and explanations of the methodology.

Redevelopment and ERAF

As counties began taking ERAF to the TRA level, the impact of RDA increment loss on the budgeted ERAF revenue source alarmed the State. The legislature passed AB860 to preserve the original amounts shifted in 1992/93 and 1993/94. ERAF receives no increment growth beyond the 1993/94 tax amounts shifted from affected jurisdictions within RDA project TRAs. **Project areas**, with base values established in 1993/94 or later, include the original ERAF shift in the TRA base tax, and ERAF may contribute to the RDA tax increment along with the other jurisdictions within project area TRAs. (See the 1993/94 Addendum to the Property Tax Shift Guidelines, page 4.)

There are numerous methods for computing RDA tax increment, AB8 and the ERAF shift. Different counties use different combinations of these methods, compounding the complexity

and difficulty of providing a simple description of RDA computations since the implementation of the ERAF shift. State Code, the RDA Chapters, existing Guidelines, and the policy of each county must be considered in the interaction between ERAF and RDA procedures.

RDA projects were required to contribute to ERAF for tax years 1992/93 through 1994/95. The State specified the amounts to be paid by particular redevelopment projects. There was no further obligation of RDAs to contribute to ERAF through the 2001/02 tax year. However, the State retains the authority to require further payments as they deem necessary.

2002-03 H&S 33681.7 (AB1768) – RDA transfer to ERAF: Using the 2000-01 Controller's State of California Community Redevelopment Agencies Annual Report, the Director of Finance calculated an amount that each RDA would remit to ERAF prior to May 10, 2003.

2003-04 H&S 33681.9 (SB1045) – RDA transfer to ERAF: Using the 2001-02 Controller's State of California Community Redevelopment Agencies Annual Report, the Director of Finance calculated an amount that each RDA would remit to ERAF prior to May 10, 2004.

To compensate agencies for the required ERAF payment, the Legislature enacted an additional provision as part of SB1045, which permits agencies to extend their redevelopment plan time limits on plan effectiveness and receipt of tax increment by one year.

R&T 97.45 and 97.46 were also added in 2003-04 (by AB300 and AB296, respectively). They direct that the revenue deposited in ERAF pursuant to Section 33681.9 of H&S code, shall be allocated to the county offices of education and community colleges by the amount of those revenues multiplied by 1.85185. The schools districts receive the remainder after the allocation to the county offices of education and community colleges.

Unitary Tax and ERAF

As a result of the ERAF I & II statutes, ERAF receives property tax revenue shifted from local jurisdictions through the AB8 process until there is an increase in **assessed value** in excess of 2% over the prior year, no new jurisdiction receives unitary property tax revenue. However, for the regular, non-railroad unitary property, ERAF is not included in the addition to unitary even when the assessed value is greater than 102 percent of the prior year. Because of differences in statutory language, ERAF I and II are included in the calculation and treated like any new jurisdiction for unitary railroad property once there is a greater than 2% growth per R&T Code §100.11. ERAF III is not considered in the AB8 process and therefore not included in the unitary process.

The 1993/94 ERAF II shift eliminated SDAF. Code provided that allocation of any residual SDAF unitary tax was at the discretion of the each county's board of supervisors.

ERAF and TEA Cities

The no and low tax cities are guaranteed a specified AB8 tax "floor" through the Tax Equity Allocation (TEA) process. The ERAF shift for these cities must be accounted for in the calculation of the transfer amount or the county will be reimbursing the TEA cities for their ERAF

loss. How you accomplish this depends on whether the ERAF shift has been taken to the TRA level or is calculated annually on a jurisdiction level.

In counties with the shift at the TRA level, each TEA city's required funding level is reduced by the city's post-shift **tax retention rate** (see next section).

Table 9: TEA Calculation for Counties with TRA Level ERAF

Description	City of Toto	Glass City
Tax Year:	<u>1993/94 TEA Calc</u>	
<u>1% Tax Calculation</u>		
Gross AV	963,696,000	1,917,897,000
Less RDA AV	<u>0</u>	<u>0</u>
Net AV	963,696,000	1,917,897,000
1% Tax within City	9,636,960	19,178,970
<u>TEA Adjustment for ERAF</u>		
Current Year Share	5.0%	5.0%
Tax Retention Rate	<u>83.337%</u>	<u>82.908%</u>
Net Current Year Share	4.167%	4.145%
<u>TEA Transfer Calculation</u>		
TEA Floor	401,556	795,045
Less: Current Year AB8	<u>(92,503)</u>	<u>(931,217)</u>
TEA Transfer (if greater than 0)	309,053	0

For counties calculating the shift at a jurisdiction level, the TEA city's AB8 tax before deducting their ERAF shift is used to compute the TEA transfer amount.

Table 10: TEA Calculation for Counties Fund Level ERAF

Description	City of Toto	Glass City
Tax Year:	<u>1993/94 TEA Calc</u>	
<u>1% Tax Calculation</u>		
Gross AV	963,696,000	1,917,897,000
Less RDA AV	<u>0</u>	<u>0</u>
Net AV	963,696,000	1,917,897,000
1% Tax within City	9,636,960	19,178,970
<u>TEA Transfer Calculation</u>		
Current Year Share	5.0%	
TEA Floor	481,848	958,949
Less: Current Year AB8 before ERAF	<u>(110,999)</u>	<u>(1,123,194)</u>
TEA Transfer (if greater than 0)	370,849	0

Taking the ERAF I & II Shifts to the TRA Level

Many counties have taken the ERAF I & II shifts to the TRA level for various reasons, including simplification of the jurisdictional change and AB8 process. This is a multiple step process, and the second and third steps may be repeated for each TRA in the County, depending on how the ERAF/RDA tax increment is handled.

Step 1 - Calculating the Tax Retention Rate:

1. Beginning at the fund level, determine each jurisdiction's AB8 allocation.
2. Determine the ERAF shift amount for each affected jurisdiction.
3. Subtract the ERAF shift from the AB8 allocation to identify the amount of AB8 tax to be retained by each fund. Schools and jurisdictions with no shift retain 100% of their tax and have a retention rate of 1.
4. Divide the retained AB8 tax by the pre ERAF AB8 allocation to determine the tax retention rate for each fund.

Step 2 - Calculating TRA Increment Allocation Factors for ERAF:

1. Multiply the TRA increment allocation factor for each jurisdiction by its tax retention rate to determine the new increment allocation factor.
2. Total the new increment allocation factors.
3. The difference between the sum of the new TRA increment allocation factors and one is the new factor for ERAF. (Subtract the sum from 1 for the ERAF factor.)
4. Proceed through all TRAs.
5. Some counties give ERAF no factor in TRAs with RDA projects established prior to 1994/95 to simplify the RDA increment calculations.

Step 3 - Calculating TRA Tax for ERAF:

1. Multiply the TRA tax amount for each jurisdiction by its tax retention rate to determine the tax retained in each TRA.
2. Total the retained tax for all jurisdictions.
3. The difference between the sum of the retained tax and the total tax is the share of tax shifted to ERAF in each TRA. (Subtract the retained tax from the total TRA tax for the ERAF shift.)
4. Proceed through all TRAs.
5. In RDA TRAs, only the original shift (through 1993/94) is transferred when no factor is given to ERAF.
6. Alternatively, counties that match the tax and factor simply redistribute the TRA tax using the new TRA increment allocation factors.

There are variations on the above methods that may be used because they provide a shift more consistent with a county's existing jurisdictional change practices.

Table 11 below demonstrates this method of taking ERAF I & II to the TRA level.

Table 11: Taking ERAF I & II to the TRA Level

Jurisdiction Name	Pre-ERAF Data		Tax Retention Rate	Factor and Tax Post-ERAF	
	Factor	Tax		Factor	1992/93 Tax
County of Oz General Fund	0.1572328	2,971,700	0.6263537	0.0984833	1,861,335
Emerald City	0.1132075	2,139,622	0.8775555	0.0993459	1,877,637
Emerald Unified SD	0.3018868	5,705,660	1.0000000	0.3018868	5,705,660
County of Oz Office of Education	0.0188679	356,603	1.0000000	0.0188679	356,603
Oz Community College	0.0251572	475,471	1.0000000	0.0251572	475,471
County of Oz Vector Control	0.0125786	237,736	0.8900099	0.0111951	211,587
Poppy Field Res Cons Dist	0.0440252	832,077	0.9242152	0.0406888	769,018
Uncle Henry Air Quality Mgmt Dist	0.0094340	178,303	0.9210283	0.0086890	164,222
Oz County Fire Prot District	0.1320755	2,496,227	0.9813666	0.1296145	2,449,714
Auntie Em Library District	0.0125786	237,736	0.8562733	0.0107707	203,567
Lyman Frank Baum Rec & Pk Dist	0.0943396	1,783,019	0.8990939	0.0848202	1,603,102
Guardian Transit Dist	0.0377358	713,206	0.7603154	0.0286911	542,262
Palace of Oz Water Dist	0.0408805	772,641	0.8014433	0.0327634	619,228
Subtotal				0.8909739	16,839,406
ERAF K-12 and Co Office of Education			0.9312423	0.1015297	1,918,913
ERAF Community Colleges			0.0687577	0.0074964	141,682
TRA 002-001 Total	1.0000000	18,900,001		1.0000000	18,900,001

Current Annual Process

Jurisdictions with the ERAF I & II shifts at the TRA level compute their AB8 factors using the normal methodology for their current annual AB8 processing. Counties with ERAF I & II at the fund level must make adjustments to bring ERAF I & II with its share of annual increment growth into the final set of AB8 factors.

ERAF I & II receives the same growth on its shift amount as the net growth of the shifting jurisdiction. Thus, if a city shifted \$100,000 in the prior year, and their net revenue increased by 10% in the current year, their ERAF I & II shift would be \$110,000. The net growth of a jurisdiction is computed on revenues after deducting any RDA increment loss. Exhibit 1 shows this methodology for a sample group of jurisdictions.

Once the growth on ERAF I & II is determined, the AB8 revenue for each jurisdiction is reduced by the current year ERAF I & II amount and the AB8 factors are computed as usual. Exhibit 2 uses the data from Exhibit 1 in the AB8 revenue and factor computation.

RELATED TOPICS

Jurisdictional Changes
RDA Pre-AB1290 Pass-Through
RDA Post-AB1290 Pass-Through
Revenue/Costs Reimbursements (SB2557)
TEA –No/Low Cities
Unitary
SB1096 Gymnastics: ERAF III, VLF Swap, and the Triple Flip

Annual Fund Level ERAF Growth Calculation

Jurisdiction Name	Prior Year Net Tax Calculation			Current Year Net Tax Calculation				Growth Factors	ERAF Shift	
	Gross Tax	RDA	Net	Increment	Tax	RDA	Net		Prior Year	Current Year
County of Oz General Fund	33,872,951	(5,232,428)	28,640,523	4,637,215	38,510,166	(6,237,239)	32,272,927	1.126827	(12,446,078)	(14,024,577)
City of Toto	153,046		153,046	16,150	169,196		169,196	1.105524	(27,028)	(29,880)
Emerald City	9,212,877	(3,217,663)	5,995,214	1,260,368	10,473,245	(3,805,422)	6,667,823	1.112191	(1,069,668)	(1,189,675)
Glass City	1,943,884	(93,408)	1,850,476	349,990	2,293,874	(134,526)	2,159,348	1.166915	(318,863)	(372,086)
Mist City	2,645,153	(241,912)	2,403,241	338,070	2,983,223	(277,558)	2,705,665	1.125840	(419,791)	(472,617)
Mangaboo City	4,319,980		4,319,980	530,558	4,850,538		4,850,538	1.122815	(753,339)	(845,860)
County of Oz Vector Control	2,709,833	(418,595)	2,291,238	370,978	3,080,811	(498,978)	2,581,833	1.126829	(288,411)	(324,990)
Flying Monkey Airport	921,862	(226,335)	695,527	62,345	984,207	(268,446)	715,761	1.029092	(278,210)	(286,304)
Poppy Field Res Conservation Dist	5,714,173	(1,359,458)	4,354,715	853,033	6,567,206	(1,621,153)	4,946,053	1.135793	(413,697)	(469,874)
Wicked Witch Water Conservation Dist	34,758		34,758	4,027	38,785		38,785	1.115858	(3,303)	(3,686)
Uncle Henry Air Quality Mgmt Dist	2,032,383	(313,945)	1,718,438	278,233	2,310,616	(374,235)	1,936,381	1.126826	(155,308)	(175,005)
Toto Water Control District	520,628	(18,487)	502,141	79,717	600,345	(26,838)	573,507	1.142123	(47,703)	(54,483)
Oz County Fire Protection Dst	12,011,573	(3,753,944)	8,257,629	1,621,067	13,632,640	(4,439,661)	9,192,979	1.113271	(208,779)	(232,428)
Scarecrow Fire Protection Dist	2,375,856	(114,166)	2,261,690	427,766	2,803,622	(164,422)	2,639,200	1.166915	135,928	158,616
Tin Man Hospital	580,975	(290,902)	290,073	89,303	670,278	(364,174)	306,104	1.055265	0	0
Auntie Em Library District	2,277,860	(397,837)	1,880,023	293,201	2,571,061	(469,084)	2,101,977	1.118059	(316,465)	(353,827)
Deadly Desert Open Space Dist	752,225	(31,136)	721,089	128,744	880,969	(44,842)	836,127	1.159534	(68,504)	(79,433)
Port Garland Harbor	1,626,243		1,626,243	288,443	1,914,686		1,914,686	1.177368	0	0
Guardian Transit District	4,978,411	(1,134,827)	3,843,584	720,778	5,699,189	(1,358,160)	4,341,029	1.129422	(1,133,857)	(1,280,603)
Ruby Slippers Transit Dist (multi-co)	156,393		156,393	18,121	174,514		174,514	1.115868	0	0
Glinda Good Witch Water Dist	994,803		994,803	104,971	1,099,774		1,099,774	1.105519	(293,467)	(324,433)
Total Shift to ERAF									(18,106,543)	(20,361,145)
ERAF Split before School Allocation								School Split		
K-12 and Co Office of Education								0.931242	16,861,579	18,961,160
Community Colleges								0.068758	1,244,964	1,399,986
Total Shift from Jurisdictions	89,835,867	(16,845,043)	72,990,824	12,473,078	102,308,945	(20,084,738)	82,224,207	1.000000	18,106,543	20,361,145

Exhibit 1

Fund Level AB8

Jurisdiction Name	Prior Year Tax	Current Yr Increment	Gross Tax (Subtotal)	TEA Transfer	Tax before ERAF	ERAF Shift with Growth	Net Tax	AB8 Factors
County of Oz General Fund	33,872,951	4,637,215	38,510,166	(1,148,062)	37,362,104	(14,024,577)	23,337,527	0.12646288
City of Toto	153,046	16,150	169,196	860,366	1,029,562	(29,880)	999,682	0.00541714
Emerald City	9,212,877	1,260,368	10,473,245		10,473,245	(1,189,675)	9,283,570	0.05030639
Glass City	1,943,884	349,990	2,293,874	287,696	2,581,570	(372,086)	2,209,484	0.01197289
Mist City	2,645,153	338,070	2,983,223		2,983,223	(472,617)	2,510,606	0.01360463
Mangaboo City	4,319,980	530,558	4,850,538		4,850,538	(845,860)	4,004,678	0.02170080
Cowardly Lion Elementary School Dist	6,749,364	1,182,583	7,931,947		7,931,947		7,931,947	0.04298213
Lost Boys Elem Jt	232,564	6,875	239,439		239,439		239,439	0.00129749
Munchkin Elem School Dist	1,239,183	225,916	1,465,099		1,465,099		1,465,099	0.00793917
Emerald Unified School Dist	25,786,821	3,512,013	29,298,834		29,298,834		29,298,834	0.15876637
Yellow Brick Unif School Dist	28,791,789	3,376,537	32,168,326		32,168,326		32,168,326	0.17431576
County of Oz Office of Education	4,064,755	556,464	4,621,219		4,621,219		4,621,219	0.02504175
Great Wizard Community College	1,471,025	254,650	1,725,675		1,725,675		1,725,675	0.00935120
Oz Community College	4,242,837	538,233	4,781,070		4,781,070		4,781,070	0.02590796
County of Oz Vector Control	2,709,833	370,978	3,080,811		3,080,811	(324,990)	2,755,821	0.01493342
Flying Monkey Airport	921,862	62,345	984,207		984,207	(286,304)	697,903	0.00378184
Poppy Field Res Conservation Dist	5,714,173	853,033	6,567,206		6,567,206	(469,874)	6,097,332	0.03304061
Wicked Witch Water Conservation Dist	34,758	4,027	38,785		38,785	(3,686)	35,099	0.00019020
Uncle Henry Air Quality Mgmt Dist	2,032,383	278,233	2,310,616		2,310,616	(175,005)	2,135,611	0.01157258
Toto Water Control District	520,628	79,717	600,345		600,345	(54,483)	545,862	0.00295795
Oz County Fire Protection Dst	12,011,573	1,621,067	13,632,640		13,632,640	(232,428)	13,400,212	0.07261391
Scarecrow Fire Protection Dist	2,375,856	427,766	2,803,622		2,803,622	158,616	2,962,238	0.01605196
Tin Man Hospital	580,975	89,303	670,278		670,278	0	670,278	0.00363214
Auntie Em Library District	2,277,860	293,201	2,571,061		2,571,061	(353,827)	2,217,234	0.01201489
Deadly Desert Open Space Dist	752,225	128,744	880,969		880,969	(79,433)	801,536	0.00434341
Port Garland Harbor	1,626,243	288,443	1,914,686		1,914,686	0	1,914,686	0.01037542
Guardian Transit District	4,978,411	720,778	5,699,189		5,699,189	(1,280,603)	4,418,586	0.02394371
Ruby Slippers Transit Dist (multi-co)	156,393	18,121	174,514		174,514	0	174,514	0.00094567
Glinda Good Witch Water Dist	994,803	104,971	1,099,774		1,099,774	(324,433)	775,341	0.00420147
ERAF K-12 & COE	0		0		0	18,961,160	18,961,160	0.10274793
ERAF Comm Colleges	0		0		0	1,399,986	1,399,986	0.00758633
Total	162,414,205	22,126,349	184,540,554	0	184,540,554	0	184,540,554	1.00000000

Exhibit 2

Part 2: EXCESS, NEGATIVE, AND INSUFFICIENT ERAF

INTRODUCTION

Part 2 covers three scenarios: **Excess ERAF**, **Negative ERAF**, and **Insufficient ERAF**. Exhibits 3 and 4 provide examples of each scenario with the sales tax Triple Flip (Triple Flip) and without Triple Flip, respectively. Triple Flip was active for fiscal years 2004/05 through 2015/16 as a funding source to repay the state's Economic Recovery Bonds. The Economic Recovery Bonds were paid off on August 5, 2015. These terms were coined in the Legislative Analyst's Office (LAO) report "*Insufficient ERAF: Examining A Recent Issue in Local Government Finance*" published December 18, 2012. For additional information on this topic refer to the LAO website.

MAIN TOPIC

The fund may experience all, none, or a combination of these three ERAF scenarios in a single year as one type is not necessarily dependent upon the other.

Excess ERAF occurs when there is money remaining in ERAF, after funding non-*basic aid* K-12 and community college districts (hereafter, referred as non-basic aid school districts) within a county. The excess ERAF determination shall be done irrespective of the VLF Swap amount. In other words, the excess ERAF calculation should be performed prior to funding the VLF Swap.

Negative ERAF occurs when the remaining ERAF balance is less than the amount needed to fund the entire VLF Swap.

Insufficient ERAF occurs when the auditor is unable to fund the VLF Swap even after the re-direction of the non-basic aid school districts property tax revenues.

A main contributing factor for all three scenarios is a high number of **basic aid schools** within a county. Typically more basic aid schools means less funding available in ERAF for the VLF Swap and less property tax revenues available to redirect from non-basic aid schools.

Currently, the state legislature has not approved a guaranteed funding mechanism to reimburse county and cities when there is insufficient funds available in ERAF for the VLF Swap. Historically counties with insufficient ERAF work with the State to request the VLF shortfall amounts be appropriated in the State budget.

METHODOLOGY

Refer to Exhibits 3 and 5 for an illustration of the distribution of ERAF for fiscal years 2016/17 and later, and Exhibit 4 for an illustration of the distribution of ERAF and the reimbursement of the Triple Flip and VLF Swap for fiscal years 2004/05 through 2015/16.

The following steps determine if **Excess ERAF**, **Negative ERAF**, and/or **Insufficient ERAF** exists.

1. Determine if excess ERAF exists: The county office of education and community college district, should provide information to determine how much ERAF non-basic aid schools are entitled to receive ("ERAF entitlement"). The information provided should be reconciled to State school and J29 reports. Excess ERAF occurs if there is a balance in ERAF, after distributing ERAF entitlement amounts to the non-basic school districts. Excess ERAF must first be distributed to special education programs and if there is a remaining balance, returned to the taxing agencies in proportion to their contribution. See Exhibit 6 for excess ERAF determination and distribution and Exhibit 7 for determining how much excess ERAF can be used to pay for special education programs.
 - a. It is important that the determination of excess ERAF be performed irrespective of the VLF Swap amount pursuant to 97.70(f)(1).
 - b. If there is Excess ERAF, the only ERAF money that can be used to fund the VLF Swap is the ERAF entitlement amount for non-basic aid school districts.
 - c. The calculation to determine if a county has excess ERAF should be performed at least annually.
2. Complete the VLF Swap: The auditor next determines if the ERAF Entitlement amount to the schools is sufficient to fund the VLF swap. **Negative ERAF** exists if there is not enough in ERAF to fund the VLF swap and the auditor must re-direct the property tax revenue allocations from non-basic aid school districts to fund the VLF Swap. **Insufficient ERAF** exists when even after re-directing property tax revenue allocations from non-basic aid school districts, there is still insufficient funds for the VLF Swap.
 - a. Property tax revenue allocations can only be re-directed from non-basic aid school districts.
3. Distribute Remaining ERAF to Non-Basic Aid Schools (if any): If there is a remaining balance in ERAF after distributing excess ERAF, and the VLF Swap amount, the remaining ERAF balance is distributed to non-basic aid school districts.

RELATED TOPICS

See Part 1, ERAF I & II

Exhibit 3
Examples of ERAF Scenarios (without Triple Flip for FYs 2016/17 and later): Regular ERAF, Excess ERAF, Negative ERAF and Insufficient ERAF

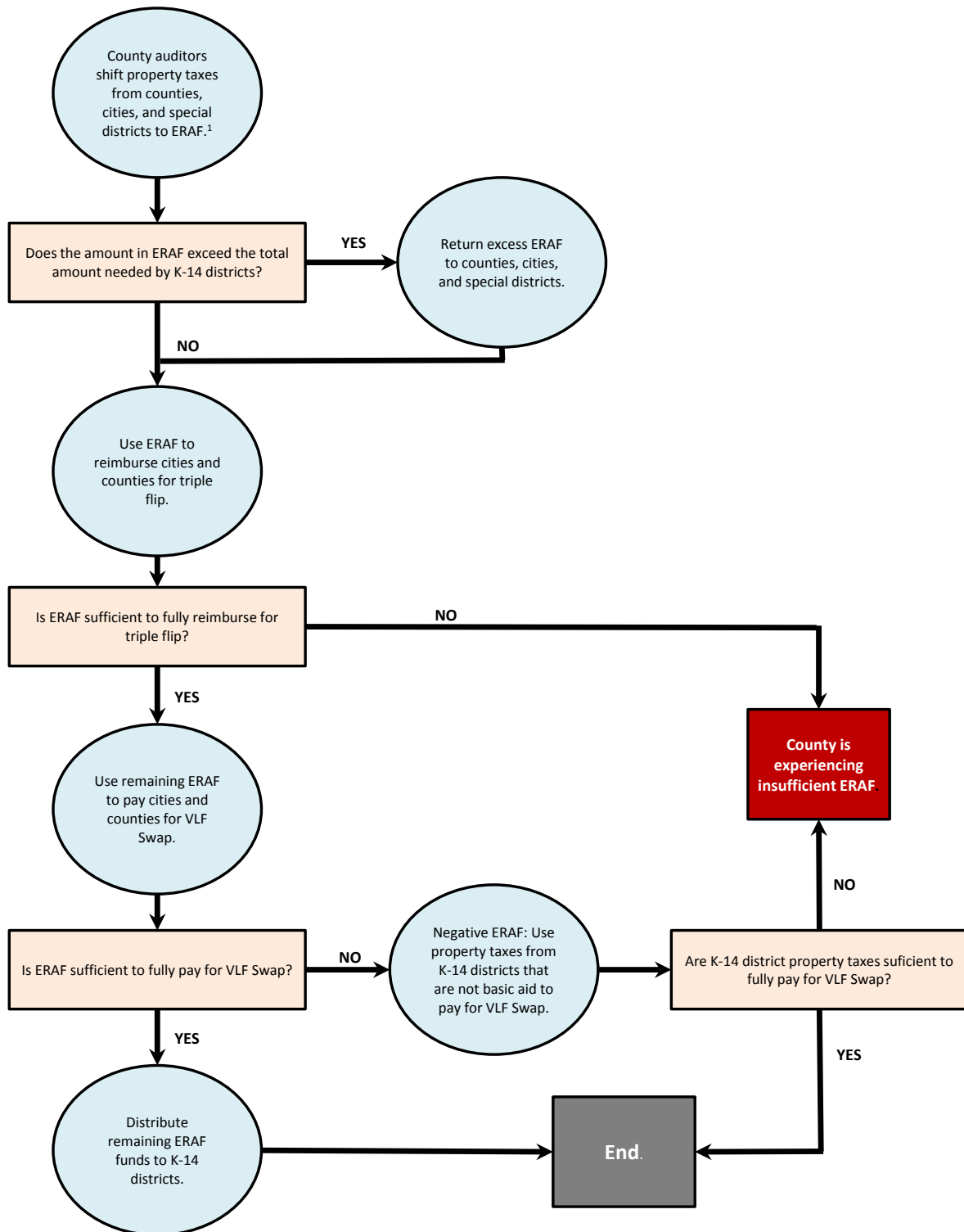
		Example 1	Example 2	Example 3	Example 4	Example 5	Example 6	Example 7	Example 8
1	AB8 Allocations/apportionments to ERAF	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
2	"Basic Aid" Threshold of the County. This is the maximum funding schools can receive from property tax revenues before being pushed into "Basic Aid" status.	600,000	300,000	600,000	600,000	300,000	300,000	600,000	600,000
3	If the amount of allocations/apportionments to ERAF (Line 1) exceeds the basic aid requirement of the County (Line 2), this is defined as "Excess ERAF". If Excess ERAF exists, the amount of Excess ERAF is first used to offset State expenditures in County special education programs. The remaining portion, if any, is then re-distributed proportionately to the taxing entities of the County. See Exhibits 5 and 6.	No Excess	Excess ERAF of 100,000	No Excess	No Excess	Excess ERAF of 100,000	Excess ERAF of 100,000	No Excess	No Excess
4	Remaining Balance of ERAF after the distribution of Excess ERAF, if any existed (Line 1 less Line 3).	400,000	300,000	400,000	400,000	300,000	300,000	400,000	400,000
5	VLF Swap as calculated by County Auditor.	200,000	200,000	450,000	450,000	500,000	450,000	550,000	250,000
6	Remaining balance of ERAF after VLF Swap, if completed. If the balance of ERAF (Line 4) exceeds the amount of the VLF Swap (Line 5), County Auditor performs the VLF Swap. If the balance of ERAF (Line 4) is less than the VLF Swap amount (Line 5), this is defined as "Negative ERAF".	200,000	100,000	Negative ERAF of 50,000	Negative ERAF of 50,000	Negative ERAF of 200,000	Negative ERAF of 150,000	Negative ERAF of 150,000	150,000
7	In the situation of "Negative ERAF," the County Auditor must re-direct property tax revenues from non-basic aid K-12 and community college districts to ERAF. The amount re-directed is the amount necessary to complete the VLF Swap. However, the maximum amount the County Auditor can re-direct from a non-basic aid K-12 or community college district is the amount of property tax revenue allocations/apportionments to that non-basic aid K-12 or community college district. Amount of property tax revenue allocations/apportionments re-directed from non-basic aid K-12 and community college districts.	0	0	50,000	Max amount of re-directed property tax revenue allocations/apportionments from non-basic aid school districts reached at 30,000	200,000	Max amount of re-directed property tax revenue allocations/apportionments from non-basic aid school districts reached at 80,000	150,000	0
8	If the County Auditor is unable to re-direct enough property tax revenue allocations/apportionments from non-basic aid school districts to completely offset the amount of "Negative ERAF", this is defined as "Insufficient ERAF".	No insufficiency from VLF Swap	No insufficiency from VLF Swap	No insufficiency from VLF Swap	Insufficient ERAF of 20,000	No insufficiency from VLF Swap	Insufficient ERAF of 70,000	No insufficiency from VLF Swap	No insufficiency from VLF Swap
9	Remaining Balance of ERAF after VLF Swap (Line 4 less Line 5 plus Line 7). If the remaining balance of ERAF after completion of the VLF Swap is greater than 0, it will be distributed to non-basic aid K-12 and community college districts. The balance of ERAF can not be less than zero.	200,000	100,000	0	0	0	0	0	150,000
10	Balance of ERAF after distribution to non-basic aid K-12 and community college districts, if any existed after performance of the VLF Swap (Line 9).	0	0	0	0	0	0	0	0

Exhibit 4

Examples of ERAF Scenarios (with Triple Flip for FYs 2004/05 - 2015/16): Regular ERAF, Excess ERAF, Negative ERAF and Insufficient ERAF

	Example 1	Example 2	Example 3	Example 4	Example 5	Example 6	Example 7	Example 8
1 AB8 Allocations/apportionments to ERAF	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
2 "Basic Aid" Threshold of the County. This is the maximum funding schools can receive from property tax revenues before being pushed into "Basic Aid" status.	600,000	300,000	600,000	600,000	300,000	300,000	600,000	600,000
3 If the amount of allocations/apportionments to ERAF (Line 1) exceeds the basic aid requirement of the County (Line 2), this is defined as "Excess ERAF". If Excess ERAF exists, the amount of Excess ERAF is first used to offset State expenditures in County special education programs. The remaining portion, if any, is then re-distributed proportionately to the taxing entities of the County. See Exhibits 5 and 6.	No Excess	Excess ERAF of 100,000	No Excess	No Excess	Excess ERAF of 100,000	Excess ERAF of 100,000	No Excess	No Excess
4 Remaining Balance of ERAF after the distribution of Excess ERAF, if any existed (Line 1 less Line 3).	400,000	300,000	400,000	400,000	300,000	300,000	400,000	400,000
5 Triple Flip amount calculated by State Department of Finance - Calculation is based on sales tax and is un-related to ERAF, AB8 allocations/apportionments or other property tax factors.	75,000	75,000	75,000	75,000	75,000	75,000	475,000	425,000
6 If the balance of ERAF (Line 4) exceeds that of the Triple Flip (Line 5), County Auditor performs the Triple Flip. If the balance of ERAF (Line 4) is less than the Triple Flip amount, this is defined as "Insufficient ERAF".	Triple Flip fully completed	Triple Flip fully completed	Triple Flip fully completed	Triple Flip fully completed	Triple Flip fully completed	Triple Flip fully completed	Insufficient ERAF of 75,000	Insufficient ERAF of 25,000
7 Remaining Balance of ERAF after Triple Flip (Line 4 less Line 5). The result cannot be less than \$0.00.	325,000	225,000	325,000	325,000	225,000	225,000	0	0
8 VLF Swap as calculated by County Auditor.	200,000	200,000	450,000	450,000	500,000	450,000	200,000	200,000
9 If the balance of ERAF (Line 7) exceeds the amount of the VLF Swap (Line 8), County Auditor performs the VLF Swap. If the balance of ERAF (Line 7) is less than the VLF Swap amount (Line 8), this is defined as "Negative ERAF".	VLF Swap fully completed	VLF Swap fully completed	Negative ERAF of 125,000	Negative ERAF of 125,000	Negative ERAF of 275,000	Negative ERAF of 225,000	Negative ERAF of 200,000	Negative ERAF of 200,000
10 In the situation of "Negative ERAF," the County Auditor must re-direct property tax revenues from non-basic aid K-12 and community college districts to ERAF. The amount re-directed is the amount necessary to complete the VLF Swap. However, the maximum amount the County Auditor can re-direct from a non-basic aid K-12 or community college district is the amount of property tax revenue allocations/apportionments to that non-basic aid K-12 or community college district. Amount of property tax revenue allocations/apportionments re-directed from non-basic aid K-12 and community college districts.	0	0	125,000	Max amount of re-directed property tax revenue allocations/apportionments from non-basic aid school districts reached at 75,000	275,000	Max amount of re-directed property tax revenue allocations/apportionments from non-basic aid school districts reached at 150,000	200,000	Max amount of re-directed property tax revenue allocations/apportionments from non-basic aid school districts reached at 150,000
11 If the County Auditor is unable to re-direct enough property tax revenue allocations from non-basic aid school districts to completely offset the amount of "Negative ERAF", this is defined as "Insufficient ERAF".	No insufficiency from VLF Swap	No insufficiency from VLF Swap	No insufficiency from VLF Swap	Insufficient ERAF of 50,000	No insufficiency from VLF Swap	Insufficient ERAF of 75,000	No insufficiency from VLF Swap	Insufficient ERAF of 50,000
12 Remaining Balance of ERAF after VLF Swap (Line 7 less Line 8 plus Line 10). If the remaining balance of ERAF after completion of the Triple Flip and VLF Swap is greater than 0, it will be distributed to non-basic aid K-12 and community college districts.	125,000	25,000	0	0	0	0	0	0
13 Total Insufficient ERAF is the sum of the insufficiency from the incompletion of the Triple Flip (Line 6) plus the insufficiency from the incompletion of the VLF Swap (Line 11).	No insufficiency	No insufficiency	No insufficiency	Total Insufficient ERAF of 50,000	No insufficiency	Total Insufficient ERAF of 75,000	Total Insufficient ERAF of 75,000	Total Insufficient ERAF of 75,000

Process to Distribute ERAF and Reimburse the Triple Flip and VLF Swap



The diagram above was developed by the LAO and included in their report, "Insufficient ERAF: Examining A Recent Issue in Local Government Finance," dated December 18, 2012.

EXHIBIT 5

D5, Part 2 - 5

Determining if Excess ERAF Exisits

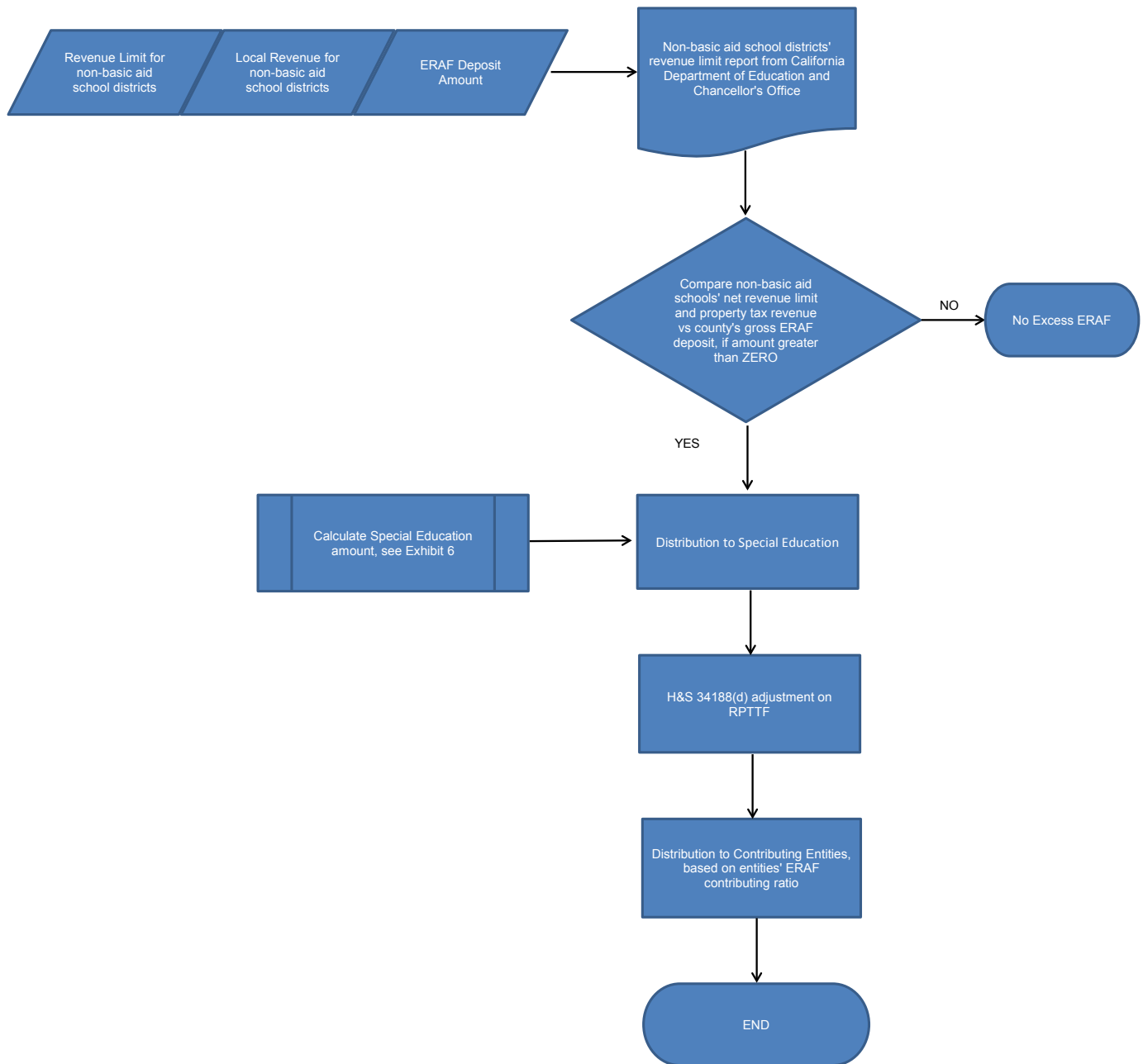


Exhibit 6

OZ COUNTY OFFICE OF EDUCATION
Special Education Funding Analysis for ERAF Entitlement
FY 2013-14

Objective: To determine the maximum usable ERAF amount for Special Education program.

Source: AB 602 SELPA Revenue Limit calculation [CDE website, next year's Feb for the Annual report].

		2013-14 Annual	
	<u>Line</u>	<u>MUNCHKIN SCHOOL</u>	
Adjusted Base Entitlement (EC 56836.10)	B-11	\$	12,000,000
COLA (EC 56836.08(d))	C-3		200,000
Growth Apportionment Adjustment (EC 56836.15)	D-6		190,000
Out of Home Care Apportionment,*	G-1		96,000
	Sub-Total (a)	\$	12,486,000
Less Funding From Other Sources:			
Local Special Education Property Taxes	B-12		7,000,000
K-12 Federal IDEA			-
	Sub-Total (b)	\$	7,000,000
Maximum Usable ERAF for Special Education (a) - (b)		\$	5,486,000

** Starting in FY 2007-08 and thereafter, ERAF will fund 50% of the Out Of Home Care Apportionment Program.*

AB8 Process Section
Chapter D-6

CALCULATION OF SUPPLEMENTAL APPORTIONMENT FACTORS

INTRODUCTION

Supplemental Factors are calculated annually and used for the **apportionment** of the **1% general tax** revenue from **supplemental taxes**. Supplemental factors are adjusted **AB 8 factors**. VLF Swap (a permanent conversion of VLF revenues to property tax revenues,) originally affected supplemental apportionment factors as shown in the Uniform Guidelines (a static document), beginning in 2004/05. As a result of the Supreme Court Case BS116375, City of Alhambra et al., versus County of Los Angeles et al., dated November 19, 2012, the State Controller's Office determined that the VLF Swap should not impact an entity's property tax allocation base. Therefore, the VLF Swap was not to be included in the calculation of current or prior year supplemental apportionment factors used from 2014-15 and beyond. It was necessary to exclude it from current calculations, and also to recalculate any prior year factors to be used.

MAIN TOPIC

R&T Code §75 *et seq.* provides the requirements for the calculation of the supplemental factors used in the apportionment of supplemental taxes. For most **taxing jurisdictions**, the supplemental factors are identical to the AB8 factors (R&T Code §75.70(c)(1) - (5)). (See Appendix A of the revised Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004 and Beyond.) However, for K-12 (elementary, high, and unified) school districts, the AB8 factors are modified to create supplemental factors pursuant to R&T Code §75.70(c)(6).

METHODOLOGY

The **average daily attendance (ADA)** is provided to all K-12 school districts including **multicounty school districts** (Exhibits 1 and 2). **Basic aid schools** are included but receive an ADA of zero (R&T Code §75.70(d)). Basic aid school districts and non—**county-of-control** districts are not eligible to participate in the distribution of supplemental revenues.

Exhibit 3 illustrates the calculation of the supplemental factors using the ADA information from the California Department of Education (CDE).

Steps for Exhibit 3:

1. Obtain the AB8 factors used to apportion the current year's **secured** and **unsecured** property taxes.

2. If RDAs have AB8 factors, then they should be reversed first because **Redevelopment Agencies (RDA)** have already received their share of the supplemental revenues (see Chapter E-3).
3. The allocation factors of all school districts up to K-12 (elementary, high, and unified) are identified and added together for further allocation (see column 2 of the exhibit).
4. Once consolidated, the K-12 school districts are reapportioned based on the ADA factors provided by the CDE (Exhibit 2).

Additional Consideration

1. The **Debt Service Factors** remain the same (R&T Code §75.70(c)(7)).
2. Counties have the discretion to use the prior year's supplemental factors for all prior year's supplemental collections or use the actual year's supplemental factors.

RELATED TOPICS

Teeter/Alternative Methodology (C-2)
Apportionment (C-1)
Supplemental Roll Maintenance (C-6)
Calculation of Annual Tax Increment (D-3)

State Superintendent of Public Instruction

CALIFORNIA DEPARTMENT OF EDUCATION
1430 N Street
P.O. Box 944272
Sacramento, CA
94244-2720

September 30, 2002

To: County Auditors

From: Administrator
Principal Apportionment and Special Education Office
School Fiscal Services Division

Subject: 2002-2003 Advance Apportionment Average Daily Attendance for Section
75.70 of the Revenue and Taxation Code

Section 75.70 of the Revenue and Taxation Code authorizes each county auditor to make allocations of funds based on the average daily attendance (ADA) as certified by the Superintendent of Public Instruction for purposes of the Advance Apportionment of state aid for the 2002-2003 fiscal year for all elementary, high school, and unified school districts, and charter schools within his or her county. The enclosed ADA information is provided for you use to determine the allocation of supplemental taxes.

Please note that the ADA is deemed to be zero for any school district that received \$2,400 or \$120 per ADA whichever is greater, at the 2001-2002 Second Principal Apportionment (P-2).

If you should have any questions regarding this information, please call (916) xxx-xxxx.

Enclosure

EXHIBIT 1

CALIFORNIA DEPARTMENT OF EDUCATION

**2002/2003 ADVANCE A.D.A. FOR SECTION 75.70 OF THE REVENUE AND
TAXATION CODE**

<u>DISTRICT</u>	<u>"REGULAR " ADA</u>	<u>"CHARTER" ADA</u>	<u>TOTAL ADA</u>	<u>COUNTY PERCENT</u>
COUNTY OF OZ				
Winkies USD	5,407	0	5,407	7.7858
Castle USD	3,696	0	3,696	5.3220
Cowardly Lion USD	21,211	0	21,211	30.5427
Munchin High School	5,034	0	5,034	7.2487
Palace of Oz USD	14,192	810	15,002	21.6021
Toto USD	18,750	347	19,097	27.4987
Dorothy Elementary (Basic Aid)	0	0	0	0.0000
 TOTAL COUNTY OF OZ	 68,290	 1,157	 69,447	 100.0000

EXHIBIT 2

CALCULATION OF THE SUPPLEMENTAL APPORTIONMENT FACTORS

NAME	ADJUSTED AB8 FACTORS	School Districts (a)	ADA County % (b)	SUPPLEMENTAL AB8 FACTORS
County Gen Fund	0.22588615062			0.22588615062
County Library	0.04196413981			0.04196413981
Poppy Field RCD	0.00018099575			0.00018099575
Good Witch Water District	0.00035522323			0.00035522323
Guardian Transit District	0.01731083877			0.01731083877
Yellow Brick Roads	0.00242367164			0.00242367164
County Flood Zone 1	0.00742825889			0.00742825889
County Flood Zone 2	0.03471849481			0.03471849481
Oz Conservation District	0.00785460067			0.00785460067
Dorothy City	0.05304991596			0.05304991596
Toto City	0.04325728534			0.04325728534
Emerald City	0.04489300056			0.04489300056
Oz Irrigation District	0.00296388433			0.00296388433
Tinman Fire Protection District	0.00135551188			0.00135551188
Castle Fire Protection District	0.00551800028			0.00551800028
Scarecrow Cemetery District	0.00394739271			0.00394739271
Emerald Cemetery District	0.00106935307			0.00106935307
King Crow Cemetery District	0.00140753371			0.00140753371
Toto Cemetery District	0.00010548449			0.00010548449
Garland Reorganization	0.00001694284			0.00001694284
Emerald City Unified Library	0.00072259756			0.00072259756
Special Road Fund	0.00589241628			0.00589241628
Toto Recreation District	0.01122048021			0.01122048021
Great Head RCD	0.00237137642			0.00237137642
Great Hambug Community Coll	0.00001624089			0.00001624089
Great Wizard Community Coll	0.03027273297			0.03027273297
Emerald City Community Coll	0.00121651856			0.00121651856
Winkies Unified School District	0.03309879881	0.03309879881	0.077858	0.02033992407
Castle Unified School District	0.01380886237	0.01380886237	0.053220	0.01390339797
Cowardly Lion Unified Sch Dist	0.05680464209	0.05680464209	0.274987	0.07183866399
Munchin High School	0.00611094045	0.00611094045	0.072487	0.01893678333
King Crow USD - multicounty	0.00014385525	0.00014385525		
Palace of Oz Unified School Dis	0.05699791826	0.05699791826	0.216021	0.05643415883
Silver Shoes USD- multicounty	0.00106472759	0.00106472759		
Kalidahs USD – multicounty	0.00675812281	0.00675812281		
Toto Unified School District	0.08599529085	0.08599529095	0.305427	0.07979092694
Throne USD – multicounty	0.00009631482	0.00009631482		
Great Humbug USD multicounty	0.00035183540	0.00035183540		
Dorothy Elementary School- (Basic Aid)	0.00001254642	0.00001254642		
County School Service Fund	0.00481235664			0.00481235664
ERAF	0.18652474599			0.18652474599
TOTAL	1.00000000000	0.26124385512	1.000000	1.00000000000

(a) refer to step 3. of **Methodology**

(b) refer to step 4. of **Methodology**

EXHIBIT 3

**Redevelopment Section
Chapter E-1**

REDEVELOPMENT HISTORY

Redevelopment Agencies (RDAs) were established for the purpose of eliminating **blight** that hinders private development and growth within a community. The RDA targets areas for “blight elimination”. The cost of eliminating blight is generally high; and RDAs cannot levy taxes. Therefore, they incur debt to finance operations.

Article XVI Section 16 (formerly Article XIII, Section 19, of the California Constitution), was adopted as a constitutional amendment by the voters in 1952 to authorize the use of property **tax increment** to repay redevelopment debt. The rationale behind this law was to relieve taxpayers of the costs of redevelopment by making projects self-supporting. RDAs were funded by the increase in property taxes generated on the growth of **assessed valuation** within the **project area**. Property tax increment financing is based on the assumption that a revitalized project area will generate more property taxes than were being generated before redevelopment.

When a redevelopment project was approved, the **base year value** was established. The **taxing jurisdictions** continue to receive property taxes levied only on the base year valuation of the project. Prior to the dissolution, any additional revenue resulting from the increase in assessed valuation was paid to the RDA.

Assembly Bill 1290 (**AB1290**), enacted in 1993, introduced significant changes to the redevelopment plan adoption and amendment processes for plans that were adopted or amended after December 31, 1993.

- a) Assembly Bill 1342, enacted in 1998, provided a one year window (1/1/1999 – 12/31/1999) in which to adopt an ordinance to extend time limits, up to the limits established by AB1290, of redevelopment plans adopted prior to January 1, 1994, and suspended the requirement to comply with the plan amendment procedures in the Health & Safety (H&S) Code, including AB1290 statutory **pass-through** payments, for this action (H&S Code §33333.6).

Senate Bill 211, effective January 1, 2002, authorized a redevelopment agency that adopted a redevelopment plan prior to January 1, 1994, to amend that plan in accordance with specified procedures to:

- Eliminate the time limit on the establishment of loans, advanced, and indebtedness; and/or
- Extend its plan effectiveness and time to receive tax increment revenues by 10 years beyond the limits allowed in H&S Code §33333.6 if specified conditions are met, including:
 - not less than a 30% of low and moderate housing set aside, effective the first fiscal year after the adoption of the amendment;
 - evidence of significant blight remains within the project area and cannot be eliminated without extending the effectiveness of the plan and the receipt of property taxes.

Senate Bill 211 authorized an affected taxing entity to request the Attorney General to participate in the amendment process and authorizes the Attorney General to bring a civil action to determine the validity of

an adopted amendment. Election of SB211 will trigger AB1290 pass-through payments (H&S Code §33333.8 through §33333.13 and §33413).

Senate Bill 1045, 2003-04 RDA payment to **ERAF**: to compensate agencies for the required ERAF payment, the Legislature enacted an additional provision as part of SB1045, which permits agencies to extend their redevelopment plan time limits on plan effectiveness and receipt of tax increment by one year (H&S Code §33333.6(e)(2)(C)).

Senate Bill 1096, the 2004-05 & 2005-06 RDA payments to ERAF: to compensate agencies for the required ERAF payment, the Legislature enacted an additional provision as part of SB1096, which permits agencies to extend their redevelopment plan time limits on plan effectiveness and receipt of tax increment by one year for each payment made, if specified requirements are met (H&S Code §33333.6(e)(2)(D)).

Assembly Bill 26 (ABx1 26) and Assembly Bill 27 (ABx1 27) were passed, signed by the governor, and chaptered on June 29, 2011. Under ABx1 26, Redevelopment Agencies were dissolved. This stripped RDAs authority and ability to exist as a legal entity and provided guidance on the dissolution process. However, if RDAs opted into a Voluntary Alternative Redevelopment Program, VARP, which was created under ABx1 27, RDAs, could avoid being dissolved by ABx1 26. The VARP required annual payments to school districts, \$1.7 billion the first year and \$400 million every year thereafter. ABx1 27 included a provision that if any part of ABx1 27 was determined to be unconstitutional, the entire bill would be null and void and thereby RDAs would be dissolved under ABx1 26. The League of Cities and the California Redevelopment Association challenged the constitutionality of both bills. On December 29, 2011, the Supreme Court found that these bills were indeed severable and upheld ABx1 26 but ruled that ABx1 27 was unconstitutional. Effective February 1, 2012, Redevelopment Agencies were dissolved and mandated to transfer control to a Successor Agency which was charged with winding down the affairs of the RDA, by paying bonds, selling assets, and other legislatively authorized actions (H&S Code §34161 through §34191).

Assembly Bill 1484 (AB1484) made several substantive and technical amendments to ABx1 26, by adding new or modified actions and deadlines, and consequences for non-compliance (H&S Code §34161 through §34191.5).

**Redevelopment Section
Chapter E-2**

REDEVELOPMENT BASE YEAR REPORTS

INTRODUCTION

The county officials charged with the responsibility of allocating taxes, shall prepare and deliver to the **redevelopment agency (RDA)** and each of the affected **taxing jurisdictions** a base year report, pursuant to Health and Safety Code §33328 and to the Department of Finance a special report, pursuant to Health & Safety Code §33328.1.

MAIN TOPIC

The redevelopment agency will submit to the auditor, assessor, tax collector, and all affected taxing jurisdictions within the proposed project area, a description of the boundaries, a statement that a plan for the redevelopment of the area is being prepared, and a map indicating the boundaries of the project area. The RDA will also notify county officials of the last **equalized assessment roll** it proposes to use for the allocation of taxes. This roll, once approved by the state, shall be known and referred to as the base year assessment roll.

The base year report shall be prepared by the auditor and delivered to the RDA and all taxing jurisdictions within 60 days of the date of filing by the RDA with the **State Board of Equalization (BOE)** or as otherwise agreed upon by the RDA and the BOE. If the redevelopment agency requests the assessed valuation for the preceding five years, the report shall be prepared and delivered within 90 days.

Senate Bill 1206 (Chapter 595, Statutes of 2006), approved by Governor in September 2006, added section 33328.1 which require additional report to be submitted by the auditor to the Department of Finance, in the form and manner prescribed by the department. This special report has the same deadline as the base year report.

The redevelopment agency, per Health and Safety Code §33328.7, shall reimburse any cost incurred by a county in preparing the base year report.

METHODOLOGY

A. Base Year Valuations

1. The assessor will identify all **secured** parcels within the proposed boundaries.

By using the map provided by the RDA, all **parcels** within the boundaries and their **equalized roll** values are identified for the year the agency has requested to be used as the base year.

2. All **unsecured** parcels, which may include aircraft, within the proposed boundaries are identified.

Using the secured parcel number, identify all associated unsecured parcels. The same assessment roll year shall be used for both the secured and unsecured base year values.

The first exhibit (A1) summarizes values in total by TRA and the second exhibit (A2) provides detailed information by parcel.

3. The state shall submit to the county official, when available, all information necessary for its preparation. If the state information is not available, the base year report is prepared without state valuations.

B. Base Year Tax Revenue

1. The auditor will identify each taxing jurisdiction levying taxes in the proposed project area.

All **tax rate areas (TRAs)** associated with these parcels need to be identified and all taxing jurisdictions that levy a rate within those tax rate areas will be listed. Both secured and unsecured taxes are included. The unsecured taxes are calculated by using the prior year secured **tax rate**. (Exhibit B)

Note: Tax rates levied to repay bonded indebtedness approved by the voters of the taxing jurisdiction on or after January 1, 1989, pursuant to the California Constitution, Article XVI, Section 16 (c), are excluded from these calculations.

2. List tax revenue derived by each taxing jurisdiction within the boundaries of the project area. (H&S Code §33328(c)).

Multiply the total base year assessed valuation, for each tax rate area, by 1%. The **TRA allocation factors** are used to distribute the revenue to each affected taxing jurisdiction. Total the allocated revenue by each taxing jurisdiction. (Exhibit B)

C. Jurisdictions Total Countywide Tax Levy

1. For each affected taxing jurisdiction, list its total ad valorem tax revenue within the county.

The source used for the total revenue can be obtained from the gross secured and unsecured levy reports (including **homeowner's exemption**), using 1% and bonds. (Exhibit C)

D. Preceding Year Valuations

1. Prior year parcels and equalized roll valuations for both the secured and unsecured rolls are identified, not including BOE valuations. These valuations will be reported by block if the property is divided by blocks or by

any other geographical area as may be agreed upon by the RDA and county officials. (Exhibit D1)

2. The auditor has an additional 30 days to complete a base year report if the RDA requests the 5 preceding year's valuations. Some RDA's use these values for analyzing growth and may agree that the auditor's office provide only total values for all prior years. (Exhibit D2)

E. Estimated First Year Tax Increment

1. The estimated first year taxes may be provided to the redevelopment agency based on the information submitted by the agency, broken down by taxing agencies. (Exhibit E)

F. Final Base Year Report

1. A copy of this base year report is delivered to the redevelopment agency and each of the taxing jurisdictions.

G. Special Report to Department Finance (pursuant to H&S 33328.1)

The report includes:

1. Information specified in §33328 subdivisions (a), (b), (c).
2. Projection of the total amount of tax revenues that may allocated pursuant to Sections 333670 and 33670.5 for the duration of the project area.
3. Projection of the total amount of tax revenues that would have been allocated to each school district, county office of education, and community college district for the duration of the project area, but for the allocation of tax revenues pursuant to Sections 33670 and 33670.5.
4. Projection of the total amount of tax revenues that may be allocated to each school district, county office of education, and community college district pursuant to Sections 33401, 33607.5, 33607.7, and 33676 for the duration of the project area. (Exhibit F)

RELATED TOPICS

AB8

AUDITOR'S OFFICE
TAX DIVISION
EMERALD CITY REDEVELOPMENT PROJECT
BASE YEAR XXXX-XX

SCHEDULE OF BASE YEAR ASSESSED VALUES

	*LAND	*IMPS	PERS PROP	NON- HOMEOWNER'S EXEMPTION	*GROSS TOTAL
<u>TRA 007-007</u>					
Local Secured	33,195,326	45,361,623	147,512	243,674	78,460,787
Utility	0	0	0	0	0
Unsecured	<u>3,200,080</u>	<u>269,009</u>	<u>237,371</u>	<u>4,000</u>	<u>3,702,460</u>
Totals	<u>36,395,406</u>	<u>45,630,632</u>	<u>384,883</u>	<u>247,674</u>	<u>82,163,247</u>
<u>TRA 007-031</u>					
Local Secured	66,047,880	91,375,122	4,222,179	1,844,552	159,800,629
Unsecured	<u>12,824,042</u>	<u>3,237,743</u>	<u>2,029,982</u>	<u>144,401</u>	<u>17,947,366</u>
Totals	<u>78,871,922</u>	<u>94,612,865</u>	<u>6,252,161</u>	<u>1,988,953</u>	<u>177,747,995</u>
<u>TRA 007-034</u>					
Local Secured	7,640,690	11,996,369	551,847	864,470	19,324,436
Unsecured	<u>781,054</u>	<u>539,556</u>	<u>644,338</u>	<u>3,700</u>	<u>1,961,248</u>
Totals	<u>8,421,744</u>	<u>12,535,925</u>	<u>1,196,185</u>	<u>868,170</u>	<u>21,285,684</u>
<u>TOTALS</u>					
Local Secured	106,883,896	148,733,114	4,921,538	2,952,696	257,585,852
Utility	0	0	0	0	0
Unsecured	<u>16,805,176</u>	<u>4,046,308</u>	<u>2,911,691</u>	<u>152,101</u>	<u>23,611,074</u>
Totals	<u>123,689,072</u>	<u>152,779,422</u>	<u>7,833,229</u>	<u>3,104,797</u>	<u>281,196,926</u>

*Value includes Homeowner's Exemption

H&S Code §33328(a)

Note: utility values were not available from BOE at time of preparation.

EMERALD CITY REDEVELOPMENT PROJECT

BASE YEAR VALUE AS SHOWN ON ASSESSMENT ROLL

ASSESSEE	TRA PARCEL	*LAND	*IMPS	PERS PROP	NON- HOMEOWNERS EXEMPTION	*GROSS TOTAL
<u>SECURED VALUE</u>						
007- 007						
Hansen Edith	028-042-032	15,000,085	33,222,142	65,742	165,842	48,122,127
West Wayne	028-022-021	18,195,241	12,139,481	81,770	77,832	30,338,660
Secured Total		33,195,326	45,361,623	147,512	243,674	78,460,787
007- 031						
Cooper Gary	028-100-002	40,250,889	42,122,846	1,899,622	1,074,596	83,198,761
Becker Wayne	030-400-686	25,796,991	49,252,276	2,322,557	769,956	76,601,868
Secured Total		66,047,880	91,375,122	4,222,179	1,844,552	159,800,629
007- 034						
Layman George	028-222-444	4,624,085	6,542,289	551,847	864,470	10,853,751
Teague Timothy	028-222-444	3,016,605	5,454,080			8,470,685
Secured Total		7,640,690	11,996,369	551,847	864,470	19,324,436
<u>UNSECURED VALUE</u>						
007-007						
Hansen Edith	800-042-032	3,200,080	269,009	237,371	4,000	3,702,460
Unsecured Total		3,200,080	269,009	237,371	4,000	3,702,460
007-031						
Cooper Gary	800-100-002	6,549,360	2,188,822	1,246,600	74,202	9,910,580
Becker Wayne	800-400-686	6,274,682	1,048,921	783,382	70,199	8,036,786
Unsecured Total		12,824,042	3,237,743	2,029,982	144,401	17,947,366
007-034						
Layman George	800-222-444	781,054	539,556	644,338	3,700	1,961,248
Unsecured Total		781,054	539,556	644,338	3,700	1,961,248
<u>TOTAL</u>						
Total Secured		106,883,896	148,733,114	4,921,538	2,952,696	257,585,852
Total Unsecured		16,805,176	4,046,308	2,911,691	152,101	23,611,074
Utility		0	0	0	0	0
Grand Total		123,689,072	152,779,422	7,833,229	3,104,797	281,196,926

* Value includes Homeowner's Exemption

H&S Code §33328(a)

EMERALD CITY REDEVELOPMENT PROJECT

SCHEDULE OF BASE YEAR REVENUE

BASE YEAR XXXX-XX

<u>GENERAL TAX</u>	TAX RATE	VALUE	BASE YEAR REVENUE
SECURED PROPERTY	1%	257,585,852	\$2,575,859
UTILITY PROPERTY (NON UNITARY)	1%	0	0
UNSECURED PROPERTY	1%	23,611,074	236,110
TOTAL 1% TAX			\$2,811,969
<u>STATE WATER BOND</u>			
SECURED	0.0047	257,585,852	12,107
UNSECURED	0.0049	23,611,074	1,157
<u>EMERALD UNIF BOND</u>			
SECURED	0.0975	257,585,852	251,146
UNSECURED	0.0991	23,611,074	23,399
			\$287,809
H&S Code §33328(b)			\$3,099,778

BASE YEAR REVENUE BY TAXING AGENCY

TAXING JURISDICTION	007-007	007-031	007-034	BASE YEAR REVENUE
COUNTY GENERAL FUND	\$196,508	\$425,116	\$50,909	\$672,532
AIR POLLUTION CONTROL	825	1,785	214	2,824
COUNTY LIBRARY	16,004	34,623	4,146	54,774
EMERALD CITY	167,866	363,153	43,488	574,507
COUNTY FLOOD CONTROL	3,120	6,750	808	10,678
WICKED WITCH WATER DIST	2,526	5,464	654	8,643
YELLOW BRICK CEMETERY	9,250	20,010	2,396	31,656
EMERALD UNIFIED SCHOOL	343,240	742,550	88,922	1,174,712
GREAT WIZARD COLLEGE	51,670	111,780	13,386	176,835
COUNTY SCHOOL SERVICE	30,624	66,249	79,344	104,808
1% TOTAL	\$821,633	\$1,777,480	\$212,857	\$2,811,969
STATE WATER BOND	3,869	8,390	1,005	13,264
EMERALD UNIFIED BOND	80,168	173,592	20,785	274,545
DEBT TOTAL	\$84,037	\$181,982	\$21,790	\$287,809
GRAND TOTAL	\$905,669	\$1,959,462	\$234,647	\$3,099,778

H&S Code §33328(c)

Exhibit B

COUNTY OF OZ
AUDITOR'S OFFICE
TAX DIVISION
EMERALD CITY REDEVELOPMENT PROJECT

TOTAL COUNTYWIDE TAX REVENUES OF THE TAXING JURISDICTIONS

BASE YEAR XXXX-XX

COUNTY GENERAL FUND	\$ 46,189,824
AIR POLLUTION CONTROL	146,332
COUNTY LIBRARY	3,343,366
EMERALD CITY	2,424,393
COUNTY FLOOD CONTROL	494,881
WICKED WITCH WATER DIST	556,440
YELLOW BRICK CEMETERY	142,417
EMERALD UNIFIED SCHOOL DISTRICT	8,377,738
GREAT WIZARD COMMUNITY COLLEGE	13,602,998
COUNTY SCHOOL SERVICE	8,069,201
1% TOTAL	\$ 83,347,590
STATE WATER BOND	\$ 2,359,000
EMERALD UNIFIED BOND	\$ 1,043,015
GRAND TOTAL	\$ 86,749,605

H&S Code §33328(d)

EMERALD CITY REDEVELOPMENT PROJECT

PRECEDING YEAR REPORTED BY BLOCK

Parcel Number Consists of: 028-042-032		<u>Book</u> (028 -	<u>Page</u> 04	<u>Block</u> 2 -	<u>Parcel Number</u> 032)		
ASSESSEE	TRA PARCEL	*LAND	*IMPS	PERS PROP	NON- HOMEOWNER'S EXEMPTION	*GROSS TOTAL	
<u>SECURED VALUE</u>							
BLOCK		007-007					
Edith Hanson	2	028-042-032	14,550,082	32,225,478	63,770	160,867	46,678,463
Wayne West	2	028-022-021	17,649,384	11,775,297	79,317	75,497	29,428,500
Secured Total			32,199,466	44,000,774	143,087	236,364	76,106,963
		007-031					
Gary Cooper	0	028-100-002	39,043,362	40,859,161	1,842,633	1,042,358	80,702,798
Dewayne Becker	0	030-400-686	25,023,081	47,774,708	2,252,880	746,857	74,303,812
Secured Total			64,066,444	88,633,868	1,842,633	1,042,358	155,006,610
		007-034					
George Layman	2	028-222-444	4,485,362	6,346,020	535,292	838,536	10,528,138
Timothy Teague	2	028-222-444	2,926,107	5,290,458	0	0	8,216,564
Secured Total			7,411,469	11,636,478	535,292	838,536	18,744,703
<u>UNSECURED VALUE</u>							
		007-007					
Edith Hansen	2	800-042-032	3,104,078	260,939	230,250	3,880	3,591,386
Unsec. Total			3,104,078	260,939	230,250	3,880	3,591,386
		007-031					
Gary Cooper	0	800-100-002	6,352,879	2,123,157	1,209,202	71,976	9,613,263
Dewayne Becker	0	800-400-686	6,086,442	1,017,453	759,881	68,093	7,795,682
Unsec. Total			12,439,321	3,140,611	1,969,083	140,069	17,408,945
		007-034					
George Layman	2	800-222-444	757,622	523,369	625,008	3,589	1,902,411
Unsec. Total			757,622	523,369	625,008	3,589	1,902,411
<u>TOTAL</u>							
		*LAND	*IMPS	PERS PROP	NON- HOMEOWNER'S EXEMPTION	*GROSS TOTAL	
Total Secured		103,677,379	144,271,121	2,521,012	2,117,258	249,858,276	
Total Unsecured		16,301,021	3,924,919	2,824,340	147,538	22,902,742	
Utility		0	0	0	0	0	
Grand Total		119,978,400	148,196,039	5,345,352	2,264,796	272,761,018	

* Value includes Homeowner's Exemption

H&S Code §33328(f)

Exhibit D-1

Section E - Redevelopment

October 31, 2011

COUNTY OF OZ
AUDITOR'S OFFICE
TAX DIVISION

EMERALD CITY REDEVELOPMENT PROJECT

SCHEDULE OF LOCAL ASSESSED VALUES

FISCAL YEARS 2004-05 THRU 2007-08

FISCAL YEAR	VALUE	*LAND	*IMP	MISC	NON- HOMEOWNER'S EXEMPTION	*TOTAL
2007-08	Local					
	Secured	181,985,313	267,418,669	7,069,464	6,318,612	450,154,834
	Unsecured	21,766,229	5,800,082	3,310,479	34,980	30,841,810
Total Value 2007-08		203,751,542	273,218,751	10,379,943	6,353,592	480,996,644
2006-07	Local					
	Secured	180,766,287	260,306,145	7,067,394	5,950,230	442,189,596
	Unsecured	20,264,898	5,007,951	2,729,794	172,394	27,830,249
Total Value 2006-07		201,031,185	265,314,096	9,797,188	6,122,624	470,019,845
2005-06	Local					
	Secured	186,784,837	257,799,508	607,819	5,480,444	439,711,720
	Unsecured	16,454,138	4,867,715	2,309,385	198,875	23,432,363
Total Value 2005-06		203,238,975	262,667,223	2,917,204	5,679,319	463,144,083
2004-05	Local					
	Secured	184,260,192	256,633,482	718,815	5,453,300	436,159,189
	Unsecured	16,026,390	4,763,413	2,171,418	210,798	22,750,423
Total Value 2004-05		200,286,582	261,396,895	2,890,233	5,664,098	458,909,612

H&S Code §33328(f)

COUNTY OF OZ
AUDITOR'S OFFICE
TAX DIVISION

EMERALD CITY REDEVELOPMENT PROJECT

ESTIMATED FIRST YEAR INCREMENTAL REVENUE

TAXING JURISDICTION	*ESTIMATED (2.2%) FIRST YEAR REVENUE
COUNTY GENERAL FUND	\$14,795.68
AIR POLLUTION CONTROL	62.12
COUNTY LIBRARY	1,205.02
EMERALD CITY	12,639.15
COUNTY FLOOD CONTROL	234.92
WICKED WITCH WATER DISTRICT	190.16
YELLOW BRICK CEMETERY	696.44
EMERALD UNIFIED SCHOOL DISTRICT	25,843.67
GREAT WIZARD COMMUNITY COLLEGE	3,890.38
COUNTY SCHOOL SERVICE	2,305.75
ESTIMATED TAX REVENUE	\$61,863.30
DEBT REVENUE (USING CURRENT RATE)	\$6,322.43
ESTIMATED FIRST YEAR REVENUE	<u><u>\$68,185.73</u></u>

H&S Code §33328(e)

** ESTIMATE PROVIDED BY REDEVELOPMENT AGENCY*

California Department of Finance

Reporting Requirements Specified in Health and Safety Code Section 33328.1,
Subdivision (a)

In accordance with Senate Bill 1206 (Chapter 595, Statutes of 2006), please provide the following information. If the space provided is insufficient, please attach additional sheets as necessary. Please note that an affirmative numerical response, based on the best available data, must be provided for each question.

If you have any questions, please contact the California Department of Finance, Local Government Unit, at (916) 322-2263. Please remit the completed form to:

California Department of Finance
Attention: Local Government Unit
915 L Street,
Sacramento, CA 95814

1. Please enter the name of the redevelopment agency, and project area, for which the following information is being provided:

EMERALD CITY REDEVELOPMENT AGENCY, XXXX PROJECT

2. Enter the total assessed valuation of all taxable property within the project area as shown on the base-year assessment roll:

\$ 281,196,926

3. Enter the name and identification number of each taxing agency levying ad valorem property taxes in the project area.

NAME

ID NUMBER

COUNTY GENERAL FUND
AIR POLLUTION CONTROL
COUNTY LIBRARY
EMERALD CITY
COUNTY FLOOD CONTROL
WICKED WITCH WATER DISTRICT
YELLOW BRICK CEMETERY
EMERALD UNIFIED SCHOOL DISTRICT
GREAT WIZARD COMMUNITY COLLEGE
COUNTY SCHOOL SERVICE

4. Enter the best available estimate of the amount of tax revenue to be derived by each taxing agency from base-year assessment roll from the project area, including state subventions for homeowners, business inventory, and similar subventions.

Exhibit F-1

Base Year 20xx-xx Revenue by Taxing Agency	
Taxing Jurisdiction	1% Tax Revenue on XXXX Project
COUNTY GENERAL FUND	\$ 672,532
AIR POLLUTION CONTROL	2,824
COUNTY LIBRARY	54,774
EMERALD CITY	574,507
COUNTY FLOOD CONTROL	10,678
WICKED WITCH WATER DISTRICT	8,643
YELLOW BRICK CEMETERY	31,656
EMERALD UNIFIED SCHOOL DISTRICT	1,174,712
GREAT WIZARD COMMUNITY COLLEGE	176,835
COUNTY SCHOOL SERVICE	104,808
1% TOTAL	\$ 2,811,969
STATE WATER BOND	13,264
EMERALD UNIFIED BOND	274,545
DEBT TOTAL	\$ 287,809
GRAND TOTAL	\$ 3,099,778

5. Enter the best available estimate of the projected amount of base property tax revenues that may be allocated to all impacted taxing agencies pursuant to Health and Safety Code (HSC) Sections 33670 & 33670.5 for the duration of the projected area. "Duration" refers to the period encompassing the first year of project area establishment to the year in which the project area will repay its indebtedness.

Exhibit F-2

Note: Example not provided. Method for projection of tax revenues, tax allocation and other similar calculation is based on County's best practice.

6. Enter the best available estimate of the projected amount of incremental property tax revenues that may be allocated to the project area pursuant to HSC Sections 33670 & 33670.5 for the duration of the project area. "Duration" refers to the period encompassing the first year of project area establishment to the year in which the project area will repay its indebtedness.

Note: Example not provided. Method for projection of tax revenues, tax allocation and other similar calculation is based on County's best practice.

7. To the extent possible, estimate the cumulative amount of incremental property tax revenues that will be retained by the project area during its duration, pursuant to HSC Sections 33670 & 33670.5. Then, based on existing property tax distribution formulas, estimate to the extent possible how much of that cumulative amount would have been distributed to each school district, county office of education, and community college district were it not for the retention of tax increment revenues by the project area. "Duration" refers to the period encompassing the first year of project area establishment to the year in which the project area will repay its indebtedness.

Note: Example not provided. Method for projection of tax revenues, tax allocation and other similar calculation is based on County's best practice.

8. Describe the methodology used to arrive at the figures provided in response to Question 6. Attach additional sheets if necessary.

Note: Example not provided. Methodology depends on the County's practice, foresights and requirements.

9. Enter the best available estimate of the amount of property tax revenues that may be allocated to each school district, county office of education, and community college district pursuant to HSC Sections 33401 for the duration of the project area. "Duration" refers to the period encompassing the first year of project area establishment to the year in which the project area will repay its indebtedness.

Note: Example not provided. Method for projection of tax revenues, tax allocation and other similar calculation is based on County's best practice.

10. Enter best available estimate of the amount of property tax revenues that may be allocated to each school district, county office of education, and community college district pursuant to HSC Section 33607.5 for the duration of the project area. "Duration" refers to the period encompassing the first year of project area establishment to the year in which the project area will repay its indebtedness.

Note: Example not provided. Method for projection of tax revenues, tax allocation and other similar calculation is based on County's best practice.

Exhibit F-3

11. Enter the best available estimate of the amount of property tax revenues that may be allocated to each school district, county office of education, and community college district pursuant to HSC Section 33607.7 for the duration of the project area. "Duration" refers to the period encompassing the first year of project area establishment to the year in which the project area will repay its indebtedness.

Note: Example not provided. Method for projection of tax revenues, tax allocation and other similar calculation is based on County's best practice.

12. Enter the best available estimate of the amount of property tax revenues that may be allocated to each school district, county office of education, and community college district pursuant to HSC Section 33676 for the duration of the project area. "Duration" refers to the period encompassing the first year of project area establishment to the year in which the project area will repay its indebtedness.

Note: Example not provided. Method for projection of tax revenues, tax allocation and other similar calculation is based on County's best practice.

13. If questions arise regarding the information contained in this document, the California Department of Finance should contact the following person:

Name and Title: _____
Phone Number: _____
E-mail Address: _____

Signature of County Auditor-Controller
or their designee

Date Signed

Exhibit F-4

Redevelopment Section
Chapter E-3

**REDEVELOPMENT AGENCY TAX INCREMENT
(RDATI)**

INTRODUCTION

Each year, county officials charged with the responsibility of allocating and distributing property taxes are to divide the taxes levied within each **Redevelopment Agency (RDA)** project area based upon the provisions of Health & Safety (H&S) Code §33670.

The annual difference between the current year values within the **project area** and the **base year value** (commonly referred to as frozen base year value) multiplied by the applicable **tax rate** is the **redevelopment agency tax increment (RDATI)**. Any supplemental event creating a bill/refund within a project area will also impact the RDA revenue.

Roll corrections to the valuations or revisions occurring after the RDATI is calculated, may be tracked and the RDATI due the RDA adjusted accordingly.

MAIN TOPIC

Any city or county may form a Redevelopment Agency. Each RDA may form one or any number of projects within its respective boundaries. If a project is amended to add one or more areas to the original boundary, each amendment has its own base year value. All project areas are assigned to a **tax rate area (TRA)** or set of TRAs. Since project areas may not overlap, these TRAs will be unique to their respective project.

All property tax revenue over the base year generated within the project boundaries is allocated to the RDA, and when collected is subject to legislative and contractual reduction. This will include the RDATI calculation, revisions to the values used for the RDATI and the **supplemental** revenue generated within the project area. The RDATI must be calculated and accounted for separately for each project area and each amended project area (H&S Code §33677 & §33677.5). The increment within each TRA of a project area is calculated and then summarized. Upon request, these amounts are reported to the RDA. (See Chapter E-6 Miscellaneous Reports.) Some of the RDATI may be returned to the affected taxing agencies as **pass-through**. Some counties calculate the pass-through amounts and pay the net RDATI to the RDA.

Redevelopment base year valuations need to be adjusted for the following: 1) Assessor error – Incorrect parcel number included in **equalized roll** for RDA base value. 2) Taxable property converted to non taxable property – e.g. Public entity purchases parcel included in RDA base value to be used for permanent public purpose. (Redevelopment

taxable property – e.g. Public entity property originally included in RDA base value is sold to non public entity and therefore the property becomes taxable. (*City of San Bernardino vs. County of San Bernardino* (1978) 21 Cal. 3d 255).

Counties may require redevelopment agencies to reimburse the county for expenses incurred in performing certain services required under the provisions of H&S Code §33672.5(e) & §33684(l). However, any amounts paid by redevelopment agencies for these services must be included as offsetting revenues in the calculation of Property Tax Administrative Cost authorized per R&T Code §95.4 (Refer to Chapter C-5, Part 2: County Property Tax Administrative Costs (**SB2557**)).

METHODOLOGY

The RDATI should be calculated as soon as assessed values are available. Many other processes are contingent upon having these figures available. The RDATI may have an impact on **debt service tax rates**, **jurisdictional assessed values**, allocation of the **unitary** roll, **apportionment** process, **AB8** process, **SB2557 property tax admin**, etc.

Annually, the base year valuation is subtracted from the current year's assessed valuation for each TRA in the project area. This difference is the RDA incremental value, which is multiplied by the applicable **tax rate**, resulting in the **tax increment** for that TRA. Tax rates levied for debt service approved by the voters after January 1, 1989 are excluded from this calculation (H&S Code §33670). When the amounts for all TRAs are calculated, the total will be the RDATI for the project. A project area or amended project area can have TRAs with negative increment, but the increment must be positive in total to receive tax increment. The amount of revenue paid to the RDA for each project is based on the following (See Exhibit 1):

1. Calculate incremental value (current assessed value less RDA base value) by TRA.
2. Calculate RDATI to be received: incremental value from (1) above, times TRA tax rate, excluding bonds for debt approved after 1-1-89.
3. May adjust RDATI calculated above by **roll corrections** or revisions made after RDATI was computed for the prior year. (H&S Code §33675)
4. Some negotiated agreements do not require pass-through **allocation factors**. For those pass-throughs that are administered by the Auditor, calculate pass-through allocation factors if required. For each TRA within the project's boundary, identify TRA 1% factors and multiply by the 1% increment amount. Total the gross loss due from each **taxing jurisdiction** and **debt service fund** to the RDA. Using the 1% only, calculate allocation factors on the total by jurisdiction.
5. Compute pass-through amount using the allocation factors derived in #4 if appropriate. For those RDAs created after January 1, 1994, refer to Post **AB1290** Pass-Through Chapter (E-5) for information on the mandatory tier calculations and including the debt amount when calculating 4 above.

An RDA is not entitled to receive tax revenue from a project area if the total current year assessed value is less than the base year value (negative increment or **decrement**). If no

RDAI is due the RDA, the tax revenue generated within the boundaries of the project area remains with the taxing jurisdictions (Revenue and Taxation Code §96.6 and Health & Safety Code §33670 (b)).

Counties may also track any roll corrections or revisions that have corrected, updated or adjusted the property tax revenue within the project area (H&S Code §33672.5). Counties who do not apportion taxes under the **Teeter Plan**, and include RDAs in the **AB8** process will not need to track adjustments, since the corrections would be included in the collections and apportionments. Such counties that calculate redevelopment outside of the AB8 process may track value changes by TRA so that they may adjust the amounts apportioned to the redevelopment agencies. Counties who apportion taxes under the Teeter Plan must adhere to R&T Code section 4707 and apportion corrections to each of those funds to which apportionments were previously made. Adjustments may be made at year-end or carried into the following year (Exhibit 1).

All supplemental assessments generated within a RDA project area are to be captured and apportioned directly to the RDA. Most pass-through agreements including the mandatory pass-through calculation would also be applied to this revenue. The 2% calculation does not apply to supplemental events (Exhibit 2).

The total revenue a project is paid shall not exceed the outstanding debt reported on the **statement of indebtedness (SOI)** filed annually with the auditor (H&S Code §33675(g)). The net requirement for each project is the total outstanding debt less available revenues. Health & Safety Code §33675 specifies the reporting requirements for the statement of indebtedness.

RELATED TOPICS

Base Year Reports
Debt Service Tax Rates
Jurisdictional Assessed Values
Property Tax Administrative Costs (SB2557)
RDA Miscellaneous Reports (RDA Statement of Indebtedness)
RDA Pre AB1290 Pass-Through
RDA Post AB1290 Pass-Through
Redevelopment History
Unitary Roll

EMERALD CITY REDEVELOPMENT
AUDITOR-CONTROLLER'S REPORT
FISCAL YR 200X-200X

DATE _____

ACKNOWLEDGED AND REVIEWED BY _____

TAX RATE PROJECT AREA	GROSS SECURED	NON UTILITY	TOTAL SECURED	GROSS UNSECURED	TOTAL	Sec/Unsec RATE	AMOUNT
005-016 FROZEN BASE	80,461,536	2,500	80,464,036	3,297,917	83,761,953	1.0000	1,126,763 Increment
formerly CURRENT YEAR VALUE	192,534,780	3,000	192,537,780	3,900,543	196,438,323	0.0021 SEC	(7,588) P Y Revisions
005-000 INC/DEC VALUE	112,073,244	500	112,073,744	602,626	112,676,370	0.0023 UNSEC	1,119,175
							2,367 Debt
							(5) Revision Debt
005-017 FROZEN BASE	56,435	600	57,035	91,543	148,578	1.0000	4,633 Increment
formerly CURRENT YEAR VALUE	520,432	900	521,332	90,500	611,832	0.0021 SEC	258 P Y Revisions
005-002 INC/DEC VALUE	463,997	300	464,297	(1,043)	463,254	1.0000 UNSEC	4,891
							15 Debt
							2 Revision Debt
TOTAL FROZEN BASE	80,517,971	3,100	80,521,071	3,389,460	83,910,531		1,131,395 Increment
CURRENT YEAR VALUE	193,055,212	3,900	193,059,112	3,991,043	197,050,155		(7,330) P Y Revisions
INC/DEC VALUE	112,537,241	800	112,538,041	601,583	113,139,624		1,124,065 Net Total
							2,379 Net Debt Total
DISTRICT	PERCENTAGE TO TOTAL AMT	TOTAL AMOUNT	TRA PERCENT	005-016 AMOUNT	TRA PERCENT	005-017 AMOUNT	
COUNTY OF OZ	28.75360%	(323,209)	28.7486	321,746	29.91803	1,463	
AIR POLLUTION CONTROL	0.09659%	(1,086)	0.0966	1,081	0.09743	5	
COUNTY LIBRARY	1.87738%	(21,103)	1.8776	21,014	1.81876	89	
EMERALD CITY	17.74383%	(199,452)	17.74052	198,548	18.4883	904	
SCARECROW CEMETERY	1.54553%	(17,373)	1.54579	17,300	1.48749	73	
TINMAN FIRE DISTRICT	4.43344%	(49,835)	4.45121	49,817	0.36375	18	
GOODWITCH WATER	0.36523%	(4,105)	0.3653	4,088	0.3552	17	
GUARDIAN TRANSIT	0.29567%	(3,323)	0.29576	3,310	0.27574	13	
MUNCHKIN ELEMENTARY	34.85357%	(391,777)	34.8435536	389,961	37.13028	1,816	
WINGED MONKEY HIGH	0.33887%	(3,809)	0.33894	3,793	0.32894	16	
GREAT WIZARD COMM COLL	6.08819%	(68,435)	6.08827	68,138	6.07824	297	
COUNTY SCHOOLS	3.60797%	(40,556)	3.60786	40,377	3.65784	179	
TOTAL 1%	100.00000%	(1,124,065)	100%	1,119,174	100.000%	4,891	
			100.0000036				
0646 STATE WATER DEBT(APPR'D 9/74)		(2,379)		2,362		17	
TOTAL INCREMENT		(1,126,444)		1,121,535		4,908	

4

Exhibit 1

**EMERALD CITY REDEVELOPMENT
SUPPLEMENTAL REVENUE DUE
AUDITOR-CONTROLLER'S REPORT
FISCAL YR 200X-200X**

DATE _____

ACKNOWLEDGED AND REVIEWED BY _____

<u>Tax Rate Area</u>	<u>Secured Supplemental Value Increase/Decrease</u>	<u>Secured/Unsecured Tax Rates</u>		<u>Tax Amt</u>
005-016	1,000,000	1.00000		\$ 10,000
	Voter approved debt	0.00210	SEC	2,100
005-017	(500,000)	1.00000		\$ (5,000)
	Voter approved debt	0.00210	SEC	(1,050)

<u>District</u>	<u>Percentage of District to Total Amt</u>	<u>Total Increment Amount</u>	<u>TRA 1% Factors</u>	<u>005-016 Increment Amount</u>	<u>TRA 1% Factors</u>	<u>005-017 Increment Amount</u>
COUNTY OF OZ	27.57917%	1,379	0.28749	2,875	0.29918	(1,496)
AIR POLLUTION CONTROL	0.09577%	5	0.00097	10	0.00097	(5)
COUNTY LIBRARY	1.93644%	97	0.01878	188	0.01819	(91)
EMERALD CITY	16.99274%	850	0.17741	1,774	0.18488	(924)
SCARECROW CEMETERY	1.60409%	80	0.01546	155	0.01487	(74)
TINMAN FIRE DISTRICT	8.53867%	427	0.04451	445	0.00364	(18)
GOODWITCH WATER	0.37540%	19	0.00365	37	0.00355	(18)
GUARDIAN TRANSIT	0.31578%	16	0.00296	30	0.00276	(14)
MUNCHKIN ELEMENTARY	32.55682%	1,628	0.34844	3,484	0.37130	(1,857)
WINGED MONKEY HIGH	0.34894%	17	0.00339	34	0.00329	(16)
GREAT WIZARD COMM COLL	6.09830%	305	0.06088	609	0.06078	(304)
COUNTY SCHOOLS	3.55788%	178	0.03608	361	0.03658	(183)
TOTAL 1%	100.00000%	5,000	1.00000	10,000	1.00000	(5,000)
STATE WATER DEBT(APPR'D 9/74)		1,050		2,100		(1,050)
TOTAL SUPPLEMENTAL		6,050		12,100		(6,050)

EXHIBIT 2

**Redevelopment Section
Chapter E-4**

RDA PRE-AB1290 PASS-THROUGHS

INTRODUCTION

California Community Redevelopment Law (CRL), contained in the Health & Safety (H&S) Code beginning with §33000 through §34160, provides the authority and implementation provisions for redevelopment projects. Redevelopment is the process created to assist city and county government in eliminating deterioration and/or **blight** from a designated area by reconstruction and development. For city **redevelopment agencies (RDA)**, the governing body is comprised of the city's council members; for county RDAs, the governing board is comprised of members from the county's Board of Supervisors. Therefore, RDAs are headed by elected officials who are answerable to the voters for their actions.

Redevelopment projects acquire the necessary funds to attract commercial, industrial and residential development to improve an area. Some of the funds needed for redevelopment are acquired from the properties within the boundaries of a redevelopment project. The total **assessed valuation** of all the properties within a designated **project area** are "frozen" at the last **equalized roll** prior to date of adoption. All tax monies collected up to this frozen base continue to be distributed to the affected **taxing jurisdictions** (county, cities, **special districts** and schools). Any tax monies collected due to increases in assessed value above the frozen base are to be distributed to the RDA. These monies are referred to as **RDA tax increment** revenue. RDA tax increment revenue is calculated annually; any tax increment revenue in excess of a project's debt per its **Statement of Indebtedness (SOI)** or in excess of a project's cap limits shall not go to the RDA. These funds shall be distributed back to the appropriate affected taxing jurisdictions. Note: If the total current-year valuations of a project are less than the **base year values**, no increment is due the project. However, if a TRA within a project has a decrease but overall the project has an increase, the reduction is included. (See exhibit 2, Chapter E-3)

MAIN TOPIC

To offset the significant negative fiscal impact due to redevelopment, RDAs may share an amount of tax increment with the affected taxing jurisdictions. This amount is referred to as **pass-through**. Prior to January 1, 1994, taxing jurisdictions could either negotiate pass-through with an RDA pursuant to H&S Code §33401 or, before a project is adopted, elect to receive the annual inflationary increases in assessed valuation (up to 2%) and/or **tax rates** levied for voter-approved debt approved prior to 1/1/89, pursuant to H&S Code §33676. Annual inflationary increases in assessed valuation and/or tax rate that have been negotiated and are part of a pass-through agreement supersede any election provisions.

The return of tax dollars from a redevelopment agency (RDA) to affected taxing jurisdictions is known as “pass-through”. RDA pass-through is not considered property tax revenue. It is recorded as part of the county’s intergovernmental revenues per State Controller’s Accounting Standards and Procedures for Counties, Chapter 6.03, Item 77, *Other-In-Lieu Revenues*.

Any redevelopment project adopted on or after January 1, 1994, including amendments to existing projects that add territory, is subject to the mandatory pass-through provisions pursuant to H&S Code §33607.5 [AB1290]. (Please refer to Chapter E-5 for more information on AB1290 pass-through obligation).

Any redevelopment plan adopted prior to January 1, 1994 that is amended for any one or more of the following reasons is subject to H&S Code §33607.7 [SB211]:

- to increase the limitation on the number of dollars to be allocated to the RDA;
- to increase or eliminate the time limit on establishing debt;
- to lengthen the life of the project.

Any plan amended under this provision requires redevelopment agencies to make pass-through payments to its affected taxing jurisdictions except for those jurisdictions that are receiving pass-through payments according to a previously negotiated agreement pursuant to H&S Code §33401. (Please refer to Chapter E5-1 to E5-2 for more information on SB211 pass-through obligation and Exhibit 4 on page E5-10 for sample computation.)

METHODOLOGY

RDAs may receive 100% of tax increment or negotiate with taxing jurisdictions to share the tax increment in a project area. The ***property tax administration fee*** does not reduce that amount of the ***tax increment*** used in calculating pass-through.

Calculation of Pass-Through with Standard 2% Calculation (H&S Code §33676):

The Santa Ana decision affirmed the following treatment for pass-through calculations: Unless an agreement was entered into prior to the adoption of the plan, in accordance with Section 33401, any affected taxing jurisdiction within the RDA project adopted between 1/1/1985 and 12/31/1993 may elect, and every school district and community college district shall elect, to be allocated increases in the rate of tax and or increases in the assessed valuation effective after the tax year in which the ordinance adopting the redevelopment plan becomes effective. See page E4-5 (Exhibit 1) for example of pass-through calculations using this treatment.

Note: On June 29, 2001, the Court of Appeal, Fourth District, affirmed the judgment of the Superior Court of Orange County. On September 19, 2001, the California State Supreme Court denied to review the case of Santa Ana Unified School District v. Orange County Development Agency, 90 Cal. App. 4th 404 (2001). The Santa Ana Decision found that H&S Code §33676(a)(2), as amended in 1984, effective January 1, 1985, required that school and community college districts automatically receive the 2% allocation.

Redevelopment base year valuations need to be adjusted for the following:

- 1) Assessor error – Incorrect parcel number included in **equalized roll** for RDA base value.
- 2) Taxable property converted to non taxable property – e.g. Public entity purchases parcel included in RDA base value to be used for permanent public purpose. (Redevelopment Agency v. Malaki (1963). 216 Cal.App.2d 480, 488) 3) Non taxable property converted to taxable property – e.g. Public entity property originally included in RDA base value is sold to non public entity and therefore the property becomes taxable. (*City of San Bernardino VS. County of San Bernardino* (1978) 21 Cal. 3d 255).

Calculation of Pass-Through with Negotiated Agreement (H&S Code §33401):

Because the terms in pass-through agreements vary, the determination of RDA tax increment may differ for each project area. Examples of pass-through provisions may include, but are not limited to, low and moderate housing contribution, cap limits, debt limits, annual inflationary increases in assessed valuation and/or tax rate, deferral/subordination amounts and **designated parcels**:

- **Low and Moderate Housing Contribution**

Twenty percent (20%) of gross tax increment is the standard amount set aside by a RDA to improve the quality and/or quantity of affordable housing for persons of low and moderate income. If a RDA can prove that 20% is not necessary to meet the goals of the project, a lower amount could be set aside. In addition to the low and moderate amount set aside by an RDA, a taxing jurisdiction may agree to contribute a share of their pass-through to the RDA for low and moderate housing.

- **Annual/Project Cap Limits**

RDAs are required to establish a “cap” limit on the amount of tax increment revenue that can be received for the entire life of a RDA project, including all revenue generated from the **local**, **supplemental**, and **unitary** rolls. Annual limits on the tax increment paid to the RDA may be negotiated within agreements in order to define terms for the specific project and affected taxing jurisdictions to determine how the cap will be reached. Any RDA tax increment revenue in excess of a RDA projects cap limit will be returned to the affected taxing jurisdictions.

- **Debt Limits**

RDAs issue bonds for reconstruction and development of a project area. Tax increment is the primary source of revenue utilized to extinguish debt in a RDA project area. As indicated, RDA tax increment revenue above the outstanding debt amount will be returned to the affected taxing jurisdictions.

- **Deferral and Subordination**

Understanding that a RDA project may not generate sufficient tax increment for development in the early years of the plan, a taxing agency may defer their share of tax increment revenue to assist RDAs with annual debt payments. Deferral is administered according to the terms stated in the agreement.

An affected taxing agency may subordinate the amount of tax increment they are entitled to receive at the request of the RDA. An affected taxing entity will approve or disapprove a RDAs subordination request within 45 days after receipt and only after the RDA has provided substantial evidence that sufficient funds will be available to pay both **debt service** and pass-through after the subordination period.

- **Designated Parcels**

Designated Parcel areas are specific **parcels** for areas within a RDA project area where the RDA has negotiated particular allocation terms for the tax increment revenue generated from these parcel areas. For example, the RDA will receive 100% of tax increment revenue generated from these parcel areas.

Exhibit 1 shows an example where the county taxing jurisdictions have entered into a pass-through agreement with a RDA. Following are the provisions included in the sample agreement:

- Frozen base year levy \$100,000
- Taxing jurisdictions share of RDA tax increment = 40%
- Agency share of RDA tax increment = 60%
- Taxing jurisdictions entitled to receive annual inflationary growth

Determine the adjusted base year for redevelopment plans adopted prior to January 1, 1994 that are amended to increase its limit(s) (H&S Code §33607.7):

An adjusted base year must be determined when the RDA amended its redevelopment plans that were adopted prior to January 1, 1994 if any one or more of the following occurred:

- 1) increase the limitation on the number of dollars to be allocated to the redevelopment agency
- 2) increase or eliminate the time limit on the establishing of loans, advances and indebtedness
- 3) lengthen the period during which the redevelopment plan is effective.

The adjusted base year of the project area shall be the year in which the original limit being amended would have taken effect without the amendment. If more than one limitation is being amended, the adjusted base year shall be the year the first limitation would have taken effect without the amendment.

Scenario 1 – Amended to eliminate time limit for incurring debt

- Project Adopted: 1980
- Time limit for incurring debt is 20 years: 2000
- Project amended to eliminate time limit for incurring debt: 2003
- Adjusted base year: 2000

Scenario 2 – Amended to eliminate time limit for incurring debt, increase dollar cap limit and lengthen the redevelopment plan effectiveness

- Project Adopted: 1980
- Time limit for incurring debt is 20 years: 2000
- Project life dollar cap limit: \$100 Million (this limit was reached in 1999)
- Redevelopment Plan ends in 35 years: 2015
- Project amended to eliminate time limit for incurring debt: 2003
- Project amended to increase the dollar cap limit to \$200 Million: 2001
- Project amended to lengthen the redevelopment plan effectiveness to 40 years: 2020
- Adjusted base year: 1999

RELATED TOPICS

RDA Post-AB1290 Pass-Through
Redevelopment Agency Tax Increment
RDA Miscellaneous

Redevelopment Section
Chapter E-4
RDA PRE-AB1290 PASS-THROUGH
Tax Increment Allocation

Frozen Base Year Assessed Valuation (AV) 10,000,000
Frozen Base Year Levy \$ 100,000
Taxing Jurisdictions Share of Tax Increment 40%
Agency Share of ATI 60%
Taxing Jurisdictions entitled to receive Annual Inflationary Growth

	a	b	c	d	e	f	g	h	i
Tax Year	Current AV (1) Land & Imp.	Current AV Per. Prop.	Current Tax Levy	Gross Tax Increment	Annual Inflationary Growth (2%)	Net ATI After Annual Growth	Add Personal Prop to Net ATI	Taxing Jurisdictions Share of Net Tax Increment	Agency Share of Net Tax Increment
			a x 1%	c - \$100,000		d-e		g x 40%	g x 60%
1st	30,000,000	15,000	300,000	200,000	2,000	198,000	198,150	79,260	118,890
2nd	31,200,000	18,000	312,000	212,000	4,040	207,960	208,140	83,256	124,884
3rd	32,448,000	20,000	324,480	224,480	6,121	218,359	218,559	87,424	131,136
4th	33,745,920	25,000	337,459	237,459	8,243	229,216	229,466	91,786	137,680
5th	35,095,757	28,000	350,958	250,958	10,408	240,549	240,829	96,332	144,498
6th	36,499,587	30,000	364,996	264,996	12,616	252,380	252,680	101,072	151,608
7th	37,959,571	35,000	379,596	279,596	14,869	264,727	265,077	106,031	159,046
8th	39,477,953	38,000	394,780	294,780	17,166	277,614	277,994	111,197	166,796
9th	41,057,072	40,000	410,571	310,571	19,509	291,061	291,461	116,585	174,877
10th	42,699,354	42,000	426,994	326,994	21,899	305,094	305,514	122,206	183,308

\$ 2,601,832

- (1) Current AV is estimated at 4% annual increase
- (2) Annual Inflationary Growth is computed by increasing the base year AV each year by the inflationary factor not to exceed 2%. And then calculating the levy related to the incremental growth. Do not include Personal Property value in this calculation. Add Personal Property tax after the calculation.
- (3) Absent any specific agreement between parties, the agencies receiving a H& S 33401 pass-through are not intitled to the 2% pass-through.
- (4) Redevelopment base year valuations need to be adjusted for the following:
 - 1) Assessor error - Incorrect parcel number included in equalized roll for RDA base value.
 - 2) Taxable property converted to non taxable property - eg. Public entity purchases parcel included in RDA base value to be used for permanent public purpose. (Redevelopment Agency v. Malaki (1963). 216 Cal.App.2d 480, 488)
 - 3) Non taxable property converted to taxable property - eg. Public entity property originally included in RDA base value is sold to non public entity and therefore the property becomes taxable. (City of San Bernardino VS. County of San Bernardino (1978) 21 Cal. 3d 255).

Exhibit 1

Redevelopment Section
Chapter E – 5

RDA POST AB1290 PASS-THROUGH

INTRODUCTION

AB1290 was effective January 1, 1994, modifying redevelopment in the following areas:

- 1) Changed the definition of **blight** and blight finding requirements
- 2) Replaced the fiscal review committee process and negotiated **pass-through** payments to affected **taxing jurisdictions** with a statutory schedule of mandatory pass-through
- 3) Expanded the requirements for the redevelopment agency's report to the legislative body
- 4) Imposed statutory limits on time periods for incurring and repaying debt for the duration of the plan

All areas above, with the exception of item 1, directly affect the Auditor.

SB 211 was effective January 1, 2002, authorizing a **redevelopment agency (RDA)** to amend the plan to:

- 1) eliminate the time limit on the establishment of debts (SB 211 Short Form) and/or
- 2) extend its plan effectiveness and the time to receive **tax increment** revenues by 10 years (SB 211 Long Form)

A plan amendment under SB 211 will trigger AB1290 pass-through payments.

The percentage of set aside for the low and moderate income housing under SB211 Long Form is 30%, effective the first **fiscal year** after the adoption of the amendment.

AB1290 PAYMENTS VS H&S CODE §33401 & H&S CODE §33676 PAYMENTS

Health & Safety (H&S) Code §33676 base year inflation payments are not technically pass-through payments but are merely a reduction in the amount of tax increment transferred to the RDA as a means to keep the **taxing agency's base revenues** whole for inflation.

When triggered, statutory pass-through payments under AB1290 do not cause H&S Code §33676 base year inflation payments to cease. Rather, those **jurisdictions** that received H&S Code §33676 payments prior to the triggering of AB1290 continue to receive these payments plus the pass-through payments as required under AB1290

In situations where a jurisdiction has been receiving negotiated pass-through payments under H&S Code §33401, the AB1290 pass-through payment to that jurisdiction does not apply. The jurisdiction continues to receive the pass-through payments based on

the ***negotiated agreement***, but is excluded from any AB1290 pass-through payment

Therefore, if a project is amended under SB211 triggering AB1290 pass-through payments, the RDA must:

- continue making H&S Code §33676 inflationary payments to those jurisdictions that were previously receiving them, and
- begin making AB1290 pass-through payments to all jurisdictions except those receiving pass-through payments according to a previously negotiated agreement under H&S Code §33401.

MAIN TOPIC

The return of tax dollars from a redevelopment agency to affected taxing jurisdictions is known as “pass-through”. RDA pass-through is not considered property tax revenue. It is recorded as part of the county’s intergovernmental revenues per State Controller’s Accounting Standards and Procedures for Counties, Chapter 6.03, Item 77, *Other-In-Lieu Revenues*. See the “Pass-through to Schools” section below regarding additional J-29 reporting requirements

Prior to the implementation of AB1290, effective January 1, 1994, taxing jurisdictions affected by an RDA could either negotiate pass-through with the RDA per Health and Safety Code §33401 or, prior to the adoption of the RDA ordinance, elect to receive their share of the ***annual tax increment (ATI)*** on ***real property*** attributable to the annual inflation factor pursuant to R&T Code §110.1 (up to 2%) per H&S Code §33676.

For all RDA projects either adopted or amended to add territory after the effective date of AB1290, pass-throughs are now mandated per H&S Code §33607.5. Project plans in existence prior to January 1, 1994, which are amended without adding territory, in accordance with H&S Code §33607.7, are also subject to the provisions of AB1290.

For Post AB1290 RDA projects, it is the responsibility of the auditor to distribute tax increment dollars to the RDA with the regular ***apportionment*** process and the responsibility of the RDA to allocate pass-through payment. However, since the county auditors generate the ***allocation factors***, variation of the administration of pass-through payments do exist.

Best practices would suggest that agreements (either formal or informal) should be in place between the RDAs and the Auditor for the calculation of the pass-through payments and whether or not to deduct these amounts from the RDA’s tax increment distribution.

Regardless of whether the RDA or the Auditor calculates the pass-through payments, the preparer should provide the details of the calculation (full disclosure) to the other party when they are finalized.

METHODOLOGY

Post AB1290 RDA pass-through is mandated in H&S Code §33607.5 and is calculated after setting aside the low and moderate income housing requirement (low/mod). The

RDA is mandated to set aside 20% for low/mod housing per H&S Code §33675. However, less than 20% may be set aside if the RDA makes certain findings and declarations, but this is rarely done. The Auditor must use the actual low/mod set aside amount determined by the RDA.

If AB1290 is triggered through an election to extend time limits (Long Form SB211), the RDA is mandated to set aside 30% for low and moderate-income housing (H&S Code §33333.10(g)(1)).

The first step in this process is to calculate the **RDA Tax Increment** (See Chapter E-3). The RDA tax increment by TRA, adjusted for **roll corrections** (consistent with your county's policy), including any qualifying debt (voter approved debt prior to January 1, 1989) is summed and used to determine the RDA pass-through factor for each affected taxing jurisdiction. These amounts are then applied to the tier pass-through calculation (Exhibit 1). The RDA pass-through is somewhat complex. It must be calculated annually and consists of three tiers. The actual calculation and impact for each taxing jurisdiction for pass-through year 32 is shown in Exhibits 2 & 3. The **property tax administration fee** does not reduce the amount of tax increment used for calculating pass-through.

Tier One/Year One (1-45): The base year for pass-through is the same as the base year for the RDA tax increment calculation. The first year that the RDA receives increment is year one and each year that increment is received counts as an additional year. The example below shows how a project can exist for six years but for pass-through purposes is in the third year. It is necessary to track the pass-through year to know when to start the second and third tiers.

Project Life	Tax Increment	
	Received	Pass-through Year
1	No	0
2	Yes	1
3	No	1
4	No	1
5	Yes	2
6	Yes	3

The difference between current **assessed value** and base year assessed value for the RDA is incremental value. By TRA, incremental value times a **tax rate** equals the RDA's tax increment. See Redevelopment Agency Tax Increment Chapter E-3 for details. H&S Code §33607.5(b) states that as long as the RDA receives tax increment, the RDA shall pay to the affected taxing jurisdictions an amount equal to 25% of the increment received after the deduction of low/mod. The RDA community (could be city or county) has the option to share in the first tier of RDA pass-through. However, the county auditor must be notified in writing of their intention to share in the pass-through or they will be excluded from the pass-through calculation and their portion will be distributed to the remaining jurisdictions (H&S Code §33607.5(f)); therefore, the entire 25% of the net increment received by the RDA is distributed as pass-through.

Tax increment received by the redevelopment agency shall include all of the property tax revenue allocated to them during the year i.e. **secured, unsecured, debt service, unitary** & supplemental.

Counties vary in their inclusion of **Educational Revenue Augmentation Fund (ERAF)** as an affected taxing jurisdiction in the calculation. Verify your county's policy in regard to ERAF's contribution to RDAs prior to calculation.

In order to distribute pass-through, allocation factors must be calculated (Exhibit 2). Note that the total used in determining these percentages include the debt amount. These allocation factors must be calculated each year because increment by TRA changes, as do tax rates.

Tier Two (11-45): In pass-through year 11, pass-through year 10 assessed values become a new, secondary base year for pass-through calculations only. The first tier calculation remains constant for the full life of the project at 25% after low/mod set aside. An additional 21% pass-through is added to the first tier amount. The RDA community is excluded from the second tier, but the full 21% after low/mod set aside is distributed to all remaining taxing jurisdictions (H&S Code §33607.5(5)(c)).

Tier Three (31-45): In pass-through year 31, pass-through year 30 becomes the base year for the third tier. In addition to tier 1 and tier 2, there is an additional third tier of 14% pass-through. The RDA community is excluded from the third tier, as well, but the full 14% after low/mod set aside is distributed to all remaining taxing jurisdictions (H&S Code §33607.5 (5)(d)).

Pass-through to Schools

It is the responsibility of the RDA to distribute the pass-through. However, if the auditor becomes involved in the process, there is an additional calculation against the total of pass-through splitting the amount considered property tax and reported on the J-29 and the remainder to be reported and used for educational facilities. The percentages used in this calculation for schools are as follows (H&S Code 33607.5(a)(4)):

	<u>Taxes</u>	<u>Facilities</u>
Elementary, Unified & High School Districts	43.3%	56.7%
College Districts	47.5%	52.5%
County Office of Education	19.0%	81.0%
Special Education	19.0%	81.0%

The Health and Safety Code allows a RDA to reduce pass-through payments to affected districts for the following reasons with the reduction only affecting the schools facilities portion:

§33445: RDA payments for land and/or buildings benefiting district

§33445.5: RDA contribution of funds to alleviate overcrowding in schools that occurred as a result of the RDA project

§33445.6: RDA contribution of funds to offset financial burden placed on fire protection district as a result of the RDA project

§33446: RDA payments for construction of school facility, which will belong to the school.

Exceptions: 1) Payments pursuant to agreements adopted prior to Jan 1, 1994

2) Amounts unrelated to specific **project area**.

3) For schools, may only subtract from the 56.7% allocation under §33607.5(a)(4)(A). If reduction exceeds this amount, RDA may reduce payment in subsequent year.

If a RDA reduces pass-through payments to school districts, the RDA must do the following:

- Determine amount due without reduction
- Determine amount that would be considered taxes and what would be used for educational facilities development
- Reduce amount available for facilities
- Send payment with statement showing revenue classification and amount, calculation of reduction, and net available for facilities development.

Basic Aid School Districts

Any school district or county office of education (office) designated as a basic aid district or office at the time of the ordinance adopting a RDA project shall annually receive an additional pass-through (H&S Code §33676(b)(1)).

RDA shall distribute tax increment to **Basic Aid Schools** as follows:

To a basic aid school district or office within a post-AB1290 RDA, the % share of tier(s) allocations PLUS the lesser of:

- a) the percentage of growth in district excluding RDA area in district
- b) basic aid schools % share of increase and 80% of growth in assessed value in RDA. (This does not apply if the median income in the RDA project is less than 80% of the median income of the County AND the plan was adopted prior to 8/1/94 and the preliminary plan was adopted prior to 9/1/93.)

To a basic aid school district or office within a pre-AB1290 RDA that has been amended pursuant to H&S Code §33607.7, EITHER of the following:

- a) amount paid by agreement made prior to 1/1/94
- b) basic aid schools % share of increase from 80% of growth in assessed value within RDA

TREATMENT OF PRE-AB1290 PROJECT AMENDED AFTER 1/1/94

Pre-AB1290 plans are those adopted prior to January 1, 1994. If an amendment occurs after January 1, 1994 to a pre-AB1290 plan, the following code sections should be followed:

(A) H&S Code §33607.5 - Amendments annexing new territory

Only the tax increment from territory added by the amendment shall be subject to AB1290. It is required that adjusted base values be determined as of the year of the original termination date of the RDA. The first fiscal year (of the remaining life of the RDA) shall be the first fiscal year following the fiscal year in which the adjusted **base year value** is determined.

(B) H&S Code §33607.7 - Amendments due to plan modifications with **no** new territory

Plan modifications include:

- Increasing the debt limitation;
- Lengthening the life of the RDA; and/or
- Increasing the life to incur debt.

If there is an existing agreement directing pass-through payments to the taxing jurisdictions, it continues to be in effect. A **new base year valuation** is determined for pass-through calculations to those jurisdictions without negotiated H&S Code §33401 agreements. The provisions pursuant to H&S Code §33607.5 become effective in the first year in which one or more of the above limitations would have taken effect without the amendment and this year's assessed value becomes the new base year value for pass-through purposes only. In determining the applicable amount under Section 33607.5, the first fiscal year shall be the one immediately following the fiscal year of the adjusted base year value. Any election to receive the annual growth attributable to the 2% inflation factor in accordance with the applicable statutory provisions is supplanted by the provision in H&S Code §33607.5.

Redevelopment base year valuations need to be adjusted for the following:

1) Assessor error – incorrect parcel number included in **equalized roll** for RDA base year. 2) Taxable property converted to non taxable property - eg. Public entity purchases parcel included in RDA base value to be used for permanent public purpose. 3) Non taxable property converted to taxable property – eg. Public entity property originally included in RDA base value is sold to non public entity and the property becomes taxable. (*City of San Bernardino VS. County of San Bernardino (1978) 21 Cal. 3d 255*).

POST AB1290 PLAN AMENDMENTS

Post AB1290 plan amendments are subject to H&S Code §33607.5. If the amendment adds new territory, only the tax increment from the territory added is subject to this section.

RELATED TOPICS

Redevelopment Agency Tax Increment
RDA Pre-AB1290 Pass-Throughs
RDA Miscellaneous Reports

EMERALD CITY REDEVELOPMENT AGENCY - TIER RECAP

AV GROWTH 3%				TOTAL* INCREMENT	LESS 20%	TIER 1 25%					TIER PASS-THROUGH TO DIST			
PROJECT LIFE	BASE YR	96	97	83,910,531	REVENUE DUE RDA	Low/Mod	PASS-THROUGH							
	PASS-THROUGH YEAR													
1	0	1997	1998	86,427,847	25,173	20,139	5,035					5,035		
2	1	1998	1999	89,020,682	51,102	40,881	10,220					10,220		
3	1	1999	2000	83,810,900	NEG	0	0					0		
4	1	2000	2001	83,905,430	NEG	0	0					0		
5	2	2001	2002	86,430,593	25,201	20,160	5,040					5,040		
6	3	2002	2003	89,023,511	51,130	40,904	10,226					10,226		
7	4	2003	2004	91,694,216	77,837	62,269	15,567					15,567		
8	5	2004	2005	94,445,042	105,345	84,276	21,069					21,069		
9	6	2005	2006	97,278,394	133,679	106,943	26,736					26,736		
10	7	2006	2007	100,196,746	162,862	130,290	32,572	CALCULATE TIER 2 BASE YEAR				32,572		
11	8	2007	2008	103,202,648	192,921	154,337	38,584	YEAR 10	109,487,689	LESS	21% PASS-THROUGH	38,584		
12	9	2008	2009	106,298,727	223,882	179,106	44,776	YEAR 11	112,772,320	20%		44,776		
13	10	2009	2010	109,487,689	255,772	204,617	51,154	INCREMENT	32,846	Low/Mod		51,154		
14	11	2010	2011	112,772,320	288,618	230,894	57,724		32,846	26,277	5,518	63,242		
15	12	2011	2012	116,155,489	322,450	257,960	64,490		66,678	53,342	11,202	75,692		
16	13	2012	2013	119,640,154	357,296	285,837	71,459		101,525	81,220	17,056	88,515		
17	14	2013	2014	123,229,359	393,188	314,551	78,638		137,417	109,933	23,086	101,724		
18	15	2014	2015	126,926,240	430,157	344,126	86,031		174,386	139,508	29,297	115,328		
19	16	2015	2016	130,734,027	468,235	374,588	93,647		212,463	169,971	35,694	129,341		
20	17	2016	2017	134,656,048	507,455	405,964	101,491		251,684	201,347	42,283	143,774		
21	18	2017	2018	138,695,729	547,852	438,282	109,570		292,080	233,664	49,070	158,640		
22	19	2018	2019	142,856,601	589,461	471,569	117,892		333,689	266,951	56,060	173,952		
23	20	2019	2020	147,142,299	632,318	505,854	126,464		376,546	301,237	63,260	189,723		
24	21	2020	2021	151,556,568	676,460	541,168	135,292		420,689	336,551	70,676	205,968		
25	22	2021	2022	156,103,265	721,927	577,542	144,385		466,156	372,925	78,314	222,700		
26	23	2022	2023	160,786,363	768,758	615,007	153,752		512,987	410,389	86,182	239,933		
27	24	2023	2024	165,609,954	816,994	653,595	163,399		561,223	448,978	94,285	257,684		
28	25	2024	2025	170,578,252	866,677	693,342	173,335		610,906	488,725	102,632	275,968		
29	26	2025	2026	175,695,600	917,851	734,281	183,570		662,079	529,663	111,229	294,799		
30	27	2026	2027	180,966,468	970,559	776,447	194,112		714,788	571,830	120,084	314,196		
31	28	2027	2028	186,395,462	1,024,849	819,879	204,970		769,078	615,262	129,205	334,175		
32	29	2028	2029	191,987,326	1,080,768	864,614	216,154		824,996	659,997	138,599	354,753		
33	30	2029	2030	197,746,946	1,138,364	910,691	227,673		882,593	706,074	148,276	375,948		
34	31	2030	2031	203,679,354	1,197,688	958,151	239,538		941,917	753,533	158,242	404,424		
35	32	2031	2032	209,789,735	1,258,792	1,007,034	251,758		1,003,020	802,416	168,507	433,754		
36	33	2032	2033	216,083,427	1,321,729	1,057,383	264,346		1,065,957	852,766	179,081	463,963		
37	34	2033	2034	222,565,929	1,386,554	1,109,243	277,311		1,130,782	904,626	189,971	495,080		
TOTAL TIERS							3,997,981					2,107,809	68,466	6,174,256

* The tax rate used for this exhibit is 1%. However, the tax rate should include any debt approved prior to 1-1-89.

**EMERALD CITY REDEVELOPMENT
POST AB1290 PASS-THROUGH ALLOCATION FACTORS
PASS-THROUGH YEAR 32- FOR TIERS 1 - 3**

	TIER 1			TIER 2 & 3				
	VALUE	TAX RATE *	INCREMENT \$	VALUE		TOTAL	TAX RATE *	INCREMENT \$
				TIER 2	TIER 3			
INCREMENT TRA 005-016 YR 32								
FROZEN BASE	62,932,898	1.000000	944,094	82,115,767	148,310,210	230,425,976	1.000000	842,586
CURRENT YR 32	157,342,301	0.002100	1,983	157,342,301	157,342,301	314,684,603	0.002100	1,769.43
INCREMENT	94,409,403		\$ 946,077	75,226,535	9,032,092	84,258,626		\$ 844,356
INCREMENT TRA 005-017 YR 32								
FROZEN BASE	20,977,633	1.000000	314,698	27,371,922	49,436,737	76,808,659	1.000000	280,862
CURRENT YR 32	52,447,434	0.002100	661	52,447,434	52,447,434	104,894,868	0.002100	590
INCREMENT	31,469,801		\$ 315,359	25,075,512	3,010,697	28,086,209		\$ 281,452
TOTAL RDA								
FROZEN BASE	83,910,531		1,258,792	109,487,689	197,746,946	307,234,635		1,123,448
CURRENT YR 32	209,789,735		2,643	209,789,735	209,789,735	419,579,470		2,359
INCREMENT	125,879,204		\$ 1,261,436	100,302,046	12,042,789	112,344,835		\$ 1,125,808

DISTRICT	TIER 1						
	TRA 005-016 Allocation Factors	005-016 Increment	TRA 005-017 Allocation Factors	005-017 Increment	Total Increment	RDA Pass-through Factors	
COUNTY OF OZ	0.287486	271,984	0.299180	94,349	366,333	0.2904096	
AIR POLLUTION CONTROL	0.000966	914	0.000974	307	1,221	0.0009681	
COUNTY LIBRARY	0.018776	17,764	0.018188	5,736	23,499	0.0186289	
EMERALD CITY	0.177405	167,839	0.184883	58,304	226,143	0.1792746	
SCARECROW CEMETERY	0.015458	14,624	0.014875	4,691	19,315	0.0153121	
TINMAN FIRE DISTRICT	0.044512	42,112	0.003638	1,147	43,259	0.0342934	
GOODWITCH WATER	0.003653	3,456	0.003552	1,120	4,576	0.0036277	
GUARDIAN TRANSIT	0.002958	2,798	0.002757	870	3,668	0.0029075	
MUNCHKIN ELEMENTARY	0.348436	329,647	0.371303	117,094	446,740	0.3541523	
WINGED MONKEY HIGH	0.003389	3,207	0.003289	1,037	4,244	0.0033644	
GREAT WIZARD COMM COLL	0.060883	57,600	0.060782	19,168	76,768	0.0608576	
COUNTY SCHOOLS	0.036079	34,133	0.036578	11,535	45,668	0.0362035	
TOTAL INCREMENT	1.000000	946,077	1.000000	315,359	1,261,436	1.0000000	

TO EXHIBIT 3

DISTRICT							TIER 2 & 3		
	TRA 005-016 Allocation Factors	005-016 Increment	TRA 005-017 Allocation Factors	005-017 Increment	Total Increment	Total Increment Excluding Emerald City	Emerald City Distribution 201,829	Adjusted Total Increment	RDA Pass-through Factors
COUNTY OF OZ	0.287486	242,740	0.299180	84,205	326,945	326,945	71,416	398,361	0.3538446
AIR POLLUTION CONTROL	0.000966	816	0.000974	274	1,090	1,090	238	1,328	0.0011795
COUNTY LIBRARY	0.018776	15,854	0.018188	5,119	20,973	20,973	4,581	25,554	0.0226981
EMERALD CITY **	0.177405	149,793	0.184883	52,036	201,829	-	-	-	-
SCARECROW CEMETERY	0.015458	13,052	0.014875	4,187	17,239	17,239	3,765	21,004	0.0186568
TINMAN FIRE DISTRICT	0.044512	37,584	0.003638	1,024	38,608	38,608	8,433	47,041	0.0417843
GOODWITCH WATER	0.003653	3,084	0.003552	1,000	4,084	4,084	892	4,976	0.0044202
GUARDIAN TRANSIT	0.002958	2,497	0.002757	776	3,273	3,273	715	3,988	0.0035427
MUNCHKIN ELEMENTARY	0.348436	294,204	0.371303	104,504	398,708	398,708	87,091	485,800	0.4315120
WINGED MONKEY HIGH	0.003389	2,862	0.003289	926	3,788	3,788	827	4,615	0.0040993
GREAT WIZARD COMM COLL	0.060883	51,407	0.060782	17,107	68,514	68,514	14,966	83,480	0.0741509
COUNTY SCHOOLS	0.036079	30,463	0.036578	10,295	40,758	40,758	8,903	49,661	0.0441116
TOTAL INCREMENT	1.000000	844,356	1.000000	281,452	1,125,808	923,980	201,829	1,125,808	1.0000000

* Debt approved by the voters prior to 1-1-89 is not receiving pass-through in this example. Counties vary in their inclusion of qualifying debt service funds as affected taxing jurisdictions for the calculation. Check with your county policy.

** In Tiers 2 & 3, the RDA community does not share in the pass-through.

Exhibit 2

EMERALD CITY REDEVELOPMENT
POST AB1290 PASS-THROUGH DISTRIBUTION
 PASS-THROUGH YEAR 32- FOR TIERS 1 - 3

	REDEVELOPMENT INCREMENT	LESS 20% LOW/MOD	PASS-THROUGH	
TIER 1 - PASS-THROUGH AMOUNT	1,261,436	1,009,148	252,287	25%
TIER 2 - PASS-THROUGH AMOUNT	1,005,127	804,101	168,861	21%
TIER 3 - PASS-THROUGH AMOUNT	120,681	96,545	13,516	14%
			<u>\$ 434,665</u>	

	TIER 1		TIER 2		TIER 3		TOTAL
	RDA		RDA		RDA		
DISTRICT	Pass-through Factors	Pass-through	Pass-through Factors	Pass-through	Pass-through Factors	Pass-through	
COUNTY OF OZ	0.2904096	\$ 73,267	0.3538446	\$ 59,751	0.3538446	\$ 4,783	\$ 137,800
AIR POLLUTION CONTROL	0.0009681	244	0.0011795	199	0.0011795	16	459
COUNTY LIBRARY	0.0186289	4,700	0.0226981	3,833	0.0226981	307	8,839
EMERALD CITY	0.1792746	45,229	-	-	-	-	45,229
SCARECROW CEMETERY	0.0153121	3,863	0.0186568	3,150	0.0186568	252	7,266
TINMAN FIRE DISTRICT	0.0342934	8,652	0.0417843	7,056	0.0417843	565	16,272
GOODWITCH WATER	0.0036277	915	0.0044202	746	0.0044202	60	1,721
GUARDIAN TRANSIT	0.0029075	734	0.0035427	598	0.0035427	48	1,380
MUNCHKIN ELEMENTARY	0.3541523	89,348	0.4315120	72,866	0.4315120	5,832	168,046
WINGED MONKEY HIGH	0.0033644	849	0.0040993	692	0.0040993	55	1,596
GREAT WIZARD COMM COLL	0.0608576	15,354	0.0741509	12,521	0.0741509	1,002	28,877
COUNTY SCHOOLS	0.0362035	9,134	0.0441116	7,449	0.0441116	596	17,179
TOTALS	1.0000000	\$ 252,287	1.0000000	\$ 168,861	1.0000000	\$ 13,516	\$ 434,665

Additional Calculation For Schools Pursuant to H&S Code 33607.5(a)4

	<u>Taxes</u>	<u>Facilities</u>
Elementary, Unified & H.S. Dist.	43.30%	56.70%
College Districts	47.50%	52.50%
Superintendent of Schools & Special Education	19.00%	81.00%

DISTRIBUTION TO SCHOOLS :	<u>PASS-THROUGH</u>	<u>TAXES</u>	<u>FACILITIES</u>	<u>TOTAL</u>
MUNCHKIN ELEMENTARY	168,046	72,764	95,282	168,046
WINGED MONKEY HIGH	1,596	691	905	1,596
GREAT WIZARD COMM COLL	28,877	13,717	15,160	28,877
COUNTY SCHOOLS	17,179	3,264	13,915	17,179

Note: An additional pass-through would be calculated if any school is basic aid

For plan amendments in accordance with 33607.7, these pass-through amounts would be paid to jurisdictions who do not have pre-existing 33401 negotiated agreement. Jurisdictions with prior agreements would be paid the negotiated amounts in lieu of the amounts calculated above.

POST AB1290 PLAN AMENDMENT PASS-THROUGH

Redevelopment Agency Plan Adopted in 1988/89 and Amended in 2002/03

	Plan Adoption Information	FY Original Limits Are Reached	2002/03 Amendment
Base Year	1989/90 Base Year		
Debt	20 Years to Incur Debt	2008/09 Final Year to Incur Debt	No Change
ATI Limit	\$60 Million ATI Limit	2018/19 Original \$60 Mil ATI Limit **	\$100 Mil ATI Limit
Plan Life	30 Year Plan Life	2019/20 Original 30 Year Life	40 Year Plan Life

** This is the Fiscal Year the first amended limit is reached and is used to establish the adjusted base year.

NOTE: The following table of pass-through computations is for example purposes only. The actual calculations performed by your county may need to be adjusted for pre-1989 debt service and the housing set-aside amount is generally computed on total gross increment, not by jurisdiction.

Those jurisdictions already receiving the H&S Code §33401 pass-through are not entitled to the AB1290 mandated pass-through. Those jurisdictions that have a negotiated agreement continue to receive their pass-through calculated on the original base year (a). The remaining jurisdictions begin to receive an AB1290 pass-through in 2019/20, which is calculated separately using adjusted base year (b).

Example of Amended Pre-AB1290 RDA With Both Negotiated and H&S Code §33607.7 Mandated Pass-through

Taxing Jurisdiction	Total Increment Contribution	20% Housing Set-aside *	Sub-Total	(a) H&S Code §33401 Negotiated Pass-through	(b) AB1290 Mandated Pass-through (Column pulled from table below)	Net Increment to RDA
General Fund	1,965,082	(393,016)	1,572,066		(5,344)	1,566,722
Emerald City	160,048	(32,010)	128,038		(435)	127,603
Wicked Witch Water	1,489,657	(297,931)	1,191,726	(595,863)		595,863
Yellow Brick Cemetery	92,505	(18,501)	74,004		(251)	73,753
Cowardly Lion Unified	3,432,407	(686,481)	2,745,926	(2,196,740)		549,186
Great Wizard College	684,759	(136,952)	547,807		(1,862)	545,945
Co School Service Fund	305,622	(61,124)	244,498		(831)	243,667
Totals	8,130,080	(1,626,015)	6,504,065	(2,792,603)	(8,723)	3,702,739

* H&S Code §33401 pass-through calculations for some counties may not be net of 20% Housing Set-aside.

Separate AB1290 1st Tier Pass-Through Calculation on Adjusted Base Year per H&S Code §33607.7

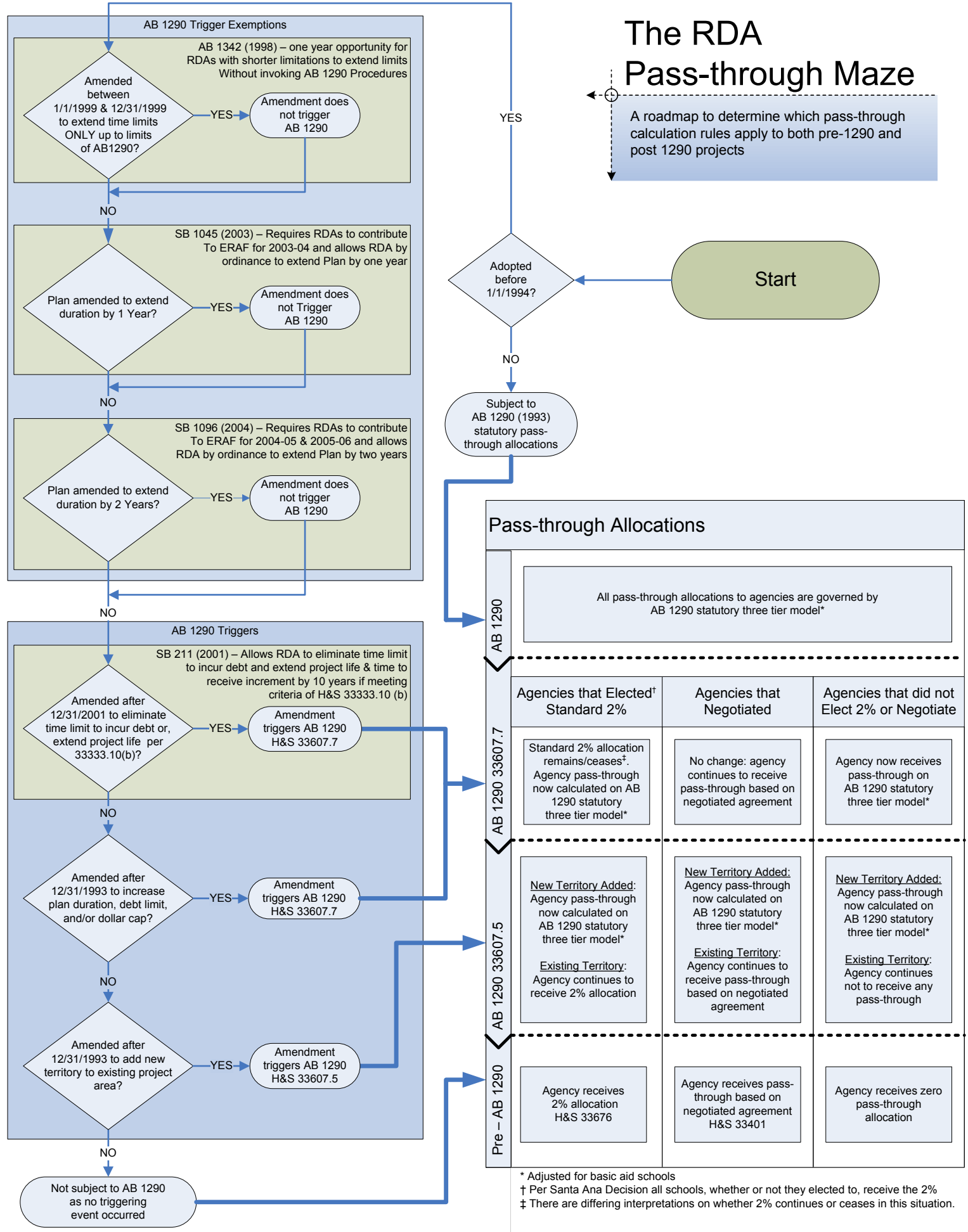
Used to compute the AB1290 Mandated Pass-through column in table above

Taxing Jurisdiction	AB1290 Amended 1% Base Year AV	CY 1% Assessed Value	CY AB1290 Increment	20% Housing Set-Aside	Sub-Total	AB1290 Mandated Pass- Through (25%)
General Fund	641,698	668,420	26,722	(5,344)	21,378	5,344
Emerald City	52,261	54,437	2,176	(435)	1,741	435
Wicked Witch Water						-
Yellow Brick Cemetery	30,206	31,464	1,258	(251)	1,007	251
Cowardly Lion Unified						-
Great Wizard College	223,605	232,917	9,312	(1,862)	7,450	1,862
Co School Service Fund	99,800	103,956	4,156	(831)	3,325	831
Totals	1,047,570	1,091,194	43,624	(8,723)	34,901	8,723

Exhibit 4

The RDA Pass-through Maze

A roadmap to determine which pass-through calculation rules apply to both pre-1290 and post 1290 projects



Redevelopment Section
Chapter E-6

RDA MISCELLANEOUS REPORTS

Part 1: Statement of Indebtedness
Part 2: Auditor's Report of Revenues

PART 1
STATEMENT OF INDEBTEDNESS

INTRODUCTION

Section 33675 of the California Health & Safety (H&S) Code provides an allocation and payment procedure to be followed for the portion of taxes identified in §33670(b). **Redevelopment agencies (RDA)** must file annually a **Statement of Indebtedness (SOI)**, **Reconciliation Statement** and a **Calculation of Available Revenues** with the county auditor or officer responsible for the payment of taxes into the funds of the respective **taxing jurisdictions**.

MAIN TOPIC

A RDA can only receive **RDA tax increment** if it can show that it has outstanding debt, which is an obligation of the agency thus, all indebtedness undertaken by a RDA to finance redevelopment is reported annually on a SOI. A SOI itemizes all future RDA tax increment requirements for the purpose of repaying indebtedness. The meaning of indebtedness for the purpose of the SOI includes all redevelopment obligations, whether pursuant to an executory contract, a performed contract or to repay principal and interest on bonds or loans. Any obligations to the Low and Moderate Income Housing Fund (H&S Code §33675(f)) and **pass-through** payments to affected **taxing jurisdictions** are considered indebtedness for SOI purposes.

Because the flow of a RDA's share of **tax increment** revenues and other funds may not be sufficient to finance the full realm of redevelopment activities on a pay-as-you-go basis, a RDA may issue **tax allocation bonds** to implement a redevelopment plan. A RDA can also receive loans, grants or other financial assistance from a city/county, other agencies including the various agencies of the state and federal government or from private sources. Tax allocation bonds and loans are solely the financial obligation of the RDA, not the city or county, and are repaid from the tax increment revenues which are received by the RDA each year.

The amount of tax increment that a RDA is entitled to receive cannot exceed the total amount of outstanding principal and interest debt. Any tax increment over a project's outstanding debt requirement will be returned to the affected taxing jurisdictions.

METHODOLOGY

Pursuant to H&S Code §33675(b), no later than October 1 of each year, a RDA must file with the county auditor or officer responsible for the payment of taxes into the funds of the respective taxing jurisdictions a SOI and a Reconciliation Statement certified by the chief financial officer of the RDA. Regardless of the RDA's **fiscal year**, for purposes of the SOI, the fiscal year is July 1 through June 30.

A separate SOI and accompanying forms is required for each project area. One statement may be filed for an original and amended/annexed area(s) provided the areas are clearly defined and amended or merged as one project pursuant to applicable provisions of the Community Redevelopment Law (California Health & Safety Code §33000 et seq.).

The SOI requires a RDA to report in part, principal and Interest due in the current tax year. H&S Code §33675(c)(2) permits a RDA to include on the SOI indebtedness entered into up to the date the SOI is filed. Since the SOI is filed on or before October 1 of each year, this could include indebtedness incurred after the end of the fiscal year. However, the Reconciliation Statement and Calculation of Available Revenues are held to the July 1 - June 30 fiscal year time frame as defined in H&S Code §33675(k).

All changes from the prior year's SOI to the current one are reflected on the Reconciliation Statement. Also, any new indebtedness, payments, adjustments and modified estimates are itemized and explained in this document. NOTE: Legislated payments to ERAF (Shift) are allowable debt for the SOI.

The Calculation of Available Revenues statement is utilized to calculate revenues and resources that a RDA may have on hand that are committed to the repayment of indebtedness. This amount is calculated at the fiscal year end and is deducted from the total indebtedness to determine the net amount needed for a RDA to meet all of its future indebtedness obligations. For the purpose of calculating available revenues, fiscal year is to be the same as the Reconciliation Statement, with the same June 30 ending.

County Auditor's Responsibility Regarding SOI

The SOI constitutes prima facie evidence of the loans, advances, and indebtedness of a RDA. Upon receipt of a RDA's completed SOI, the county auditor or other officer begins reviewing the listed indebtedness in compliance with H&S Code §33675. Exhibit A provides a checklist to help the county auditor or officer ensure that RDAs submit these documents in accordance with H&S Code 33675(h).

If the county auditor or officer disputes any amount of loan, advances or indebtedness reported on a RDA's SOI filing, written notification must be provided to the RDA within 30 days after receipt of the SOI (Exhibit B). The agency shall, within 30 days of receipt of notice, submit additional information to substantiate the amount disputed. If the county

auditor still disputes the amount, final written notice shall be given to the agency, and the disputed amount may be withheld from allocation and payment. In that event, the auditor shall bring an action in superior court for declaratory relief within 90 days of final notice.

RELATED TOPICS

Redevelopment Agency Tax Increment
Post AB1290 Pass-Through
Pre AB1290 Pass-Through

Part 2 AUDITOR'S REPORT OF REVENUES

INTRODUCTION

Section 33672.5 of the California Health & Safety (H&S) Code provides that upon written request from an **Redevelopment Agency (RDA)** the county auditor or other officer responsible for allocation of tax revenues pursuant to H&S Code §33670 shall prepare a statement each fiscal year for each redevelopment project to report **valuation** and revenues.

MAIN TOPIC

The statement provided pursuant to H&S Code §33672.5 is distributed to RDAs on an annual basis and includes corrections, updates and/or adjustments to the tax revenue and **assessed value** reported. RDAs shall reimburse the County Auditor for all actual and reasonable costs incurred pursuant to this section (H&S Code §33672.5(e)).

METHODOLOGY

Upon written request from a RDA, on or before November 30 of each year the auditor provides the RDA with a statement that includes the following:

- total taxable assessed value of **secured, unsecured** and state-assessed railroad and **non-operating, non-unitary** property
- total taxable assessed value used by the auditor to determine allocation to the RDA
- estimated taxes adjusted for low and moderate housing set aside and **pass-through**
- estimated **unitary** revenue
- In addition, with the distribution of property taxes, the auditor shall provide a statement identifying taxes allocated for current year tax increment, **unitary**, supplemental and any adjustments to the reported estimate

RELATED TOPICS

Post AB1290 Pass-Through
Redevelopment Agency Tax Increment

Statement of Indebtedness Checklist for County Auditor

County: _____

SOI of Fiscal Year: _____

Redevelopment Project Name: _____

No.	Checklist Questions	Yes/No	Notes
(1)	Is the complete SOI submitted by October 1 of the current fiscal year?		
(2)	Is the complete SOI certified by the RDA's chief financial officer?		
(3)	Are the ending balances on the SOI, Form A, Form B (if present), and the Calculation of Available Revenues correctly carried forward to the SOI Cover Page?		
(4)	If Form B is filed with the prior year SOI and, if present, does this indebtedness appear on the Reconciliation Statement for this year?		
(5)	Are the outstanding debt balances on the prior year SOI, Form A brought forward as beginning balances in Column A of the Reconciliation Statement?		
(6)	Are all adjustments on the Reconciliation Statement explained on an attached Explanation form?		
(7)	Is each amount listed on the Reconciliation Statement, Column F carried forward to the Total Outstanding Debt column on the SOI, Form A.		
(8)	Does the total amount paid against indebtedness in Calculation of Available Revenues line 6 equal that amount on the Reconciliation Statement?		
(9)	Does the beginning balance on the Calculation of Available Revenues equal the ending balance on the prior year Calculation of Available Revenues?		
(10)	Does the total tax increment revenue reported on line 2 of the Calculation of Available Revenues agree with the auditor's allocation from the prior year, including any pass-through payments deducted by the county on behalf of the agency and taking accruals into consideration for small discrepancies?		
(11)	Does the total amount of principal and interest remaining to be paid for each loan, advance, or indebtedness included in the SOI <u>exceeds</u> the available revenues as of the end of the previous year?		
(12)	Does the Net requirement listed on the cover page exceed the total tax increment of following fiscal year based on the Auditor's calculation? The amount showing in the SOI cover page as net requirement is the maximum amount of taxes that can be allocated to the RDA.		

Exhibit A

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

Date:

Treasurer or Finance Director
Emerald City Redevelopment
1 Yellow Brick Road
Emerald City, CA 91234

Dear Sir or Madam:

This letter is to acknowledge receipt of the Statement of Indebtedness (SOI) and to provide notification of the Auditor's dispute with your SOI information as submitted.

Your agency must respond within 30 days of this letter by submitting any further information that is deemed appropriate to substantiate the disputed amounts on your SOI. If the disputed amounts are not satisfactorily addressed, they may be withheld from your tax increment payments.

Very truly yours,

AUDITOR, COUNTY OF OZ

By Property Tax Manager

Exhibit B

**Redevelopment Section
Chapter E-7**

TERMINATION OF EXISTING RDA

INTRODUCTION

A redevelopment project area shall be terminated by an ordinance when the redevelopment agency has complied with Health and Safety Code (H&S) §33333.8.

MAIN TOPIC

The legislative body of a **redevelopment agency (RDA)**, city council or county board of supervisors or city and county board of supervisor, shall adopt an ordinance terminating a redevelopment project after the agency has complied with

1. The provision of affordable housing as required by H&S Code §33333.2,
2. Prior to the time limit on the effectiveness of the redevelopment plan established pursuant to H&S Code §33333.6 and §33333.10, and
3. Before the agency exceeds a limit on the number of dollars of taxes as required by H&S Code §33333.8.

If the RDA is a joint city-county RDA then both city council and county board of supervisors shall jointly approve the ordinance (Exhibit 1).

METHODOLOGY

The effective date for the RDA termination is the date indicated on the ordinance. Upon receiving a copy of the ordinance the Auditor-Controller shall coordinate with the Agency for the following:

1. Adjustments-Refunds
2. Fund Balance-Residuals of cash collections from previous years
3. Notify the Tax Area Services Section (TASS) of the **Board of Equalization (BOE)** of the RDA termination for TASS' facilitating the required changes to the BOE Code Chart by providing the following: (Exhibit 2)
 - A letter from the Auditor-Controller requesting the RDA is to be removed from all associated **Tax Rate Area's (TRA's)**.
 - A copy of the RDA ordinance as supporting documentation for the request.

If a county has previously done a **TRA consolidation**, the Auditor may include with its RDA project termination letter a request for TRA assignment, which will cancel the RDA TRA's into existing matching TRA's. Since this action requires mapping on the part of TASS, a request that changes the TRA's must be received by the BOE on or before December 1st in order for the TRA changes to be effective in the upcoming fiscal year.

If your county allocates RDA tax increment outside of the **AB 8** Apportionment factors (jurisdiction) skip 2 & 3.

For Implementation of the RDA termination, the Auditor-Controller shall

1. Remove the RDA from the associated TRA's (Exhibit 3) as directed by appropriate "File Number" from the BOE.
2. Compute the proportional share of RDA's equalized tax increments of the fiscal year prior to the termination effective fiscal year to the affected taxing entities.
3. Adjust the affected tax entities' prior year equalized property tax revenues by their prorated share of the RDA's equalized tax increments.
4. Adjust Unitary Factors by removing the RDA's allocation from spreadsheet and recalculating the factors for the remaining taxing agencies. (Exhibit 4)

RELATED TOPICS

Redevelopment Agency Tax Increment
TRA Consolidation
AB 8 Process

ORDINANCE NO. 2011

**AN ORDINANCE APPROVING TERMINATION OF EMERALD
REDEVELOPMENT PROJECT AREA AND CERTIFYING THAT ALL
REQUIREMENTS TO THE PROJECT AREA HAVE BEEN MET**

The Board of Supervisors of the County of Oz, State of California, ordains as follows:

Section 1. On August 24, 1982, by Ordinance No. 1251, the Board of Supervisors of the County of Oz (“the Board”) approved and adopted the Redevelopment Plan (the “Redevelopment Plan”) for Emerald Redevelopment Project (“the project”) following a duly noticed joint public hearing of the Board and the Redevelopment Agency of the County of Oz (“the Agency”) and after having taken all actions required in connection therewith pursuant to the Community Redevelopment Law of the State of California (Health & Safety Code Section 33000 and 33333.8)

Section 2. The termination of the Project Area is approved.

Section 3. The Agency has complied with all requirements related to the Project Area, including all affordable housing requirements.

Section 4. The Clerk of the Board is hereby directed to send a certified copy of this Ordinance to the Agency and State Board of Equalization.

Section 5. The Clerk of the Board is hereby directed to record with the County Recorder of County of Oz a notice of the approval and adoption of the Ordinance to terminate the Project Area.

Section 6. This ordinance shall be in full force and effect thirty (30) days after its adoption.

Section 7. This ordinance was introduced and the title thereof read at the regular meeting of the Board of Supervisors on _____ and _____ further reading was waived by the unanimous vote of the Supervisors present.

This ordinance shall take effect and be in full force on and after thirty (30) days from the date of its passage, and before the expiration of fifteen (15) days from the date of its passage it shall be published once with the names of the members of the Board of Supervisors voting for and against the same, said publication to be made in a newspaper of general circulation published in the County of Oz.

On Motion by Supervisor _____, seconded by Supervisor _____, there foregoing ordinance was passed and adopted by the Board of Supervisors on the County of oz, State of California, this ____ day of _____, 2011 by the following vote”

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

Chair of the Board of Supervisor

Of County of Oz, California

(Seal)

ATTEST: _____
Clerk, Board of Supervisors

Termination of Existing RDA State Board of Equalization Recommendations

The following information was recommended by Errol Tankiamco (RDA specialist) and Ralph Davis in the Tax Area Services Section (TASS) of the Board of Equalization (BOE).

For termination of a RDA Project Area, the following two items are needed to facilitate the required changes to the BOE Code Chart:

- 1) A letter from the Auditor-Controller stating that the RDA Project is being terminated, that all debt obligations have been satisfied and that the project will no longer be receiving revenue. The letter should instruct the BOE to remove the RDA from all associated TRAs on the BOE Code Chart.
and
- 2) A copy of a resolution from the RDA stating that the project has been completed and all criteria for termination have been met. (A copy of this resolution should be kept on file by the Auditor to substantiate removal of the RDA from the BOE Code Chart.)

Note that the actual date of termination may be specified in the RDA resolution and will dictate the date that the RDA ceases to receive increment revenue. However, **the RDA termination date does not override the scheduled timing of changes to BOE Code Chart.**

NOTE: The information in the documents of this exhibit were provided by TASS of the State Board of Equalization.

EXHIBIT 2-1

STATE BOARD OF EQUALIZATION

REDEVELOPMENT PROJECTS

REQUIREMENTS FOR STATEMENTS, GEOGRAPHIC DESCRIPTIONS, MAPS AND FEES

SECTIONS 33327, 33328, 33375, AND 33457, HEALTH AND SAFETY CODE

AUGUST 1, 2005

GENERAL REQUIREMENTS

The Tax-Rate Area System is administered by the State Board of Equalization (Board) and used by counties for the proper allocation of property tax revenues between counties, cities, and special tax districts. Property tax revenues are allocated and distributed by counties to redevelopment projects based on mapping and boundary information submitted to the Board pursuant to Health and Safety Code section 33327. The requirements and fees described herein apply to all statements filed pursuant to sections 33327 through 33457 of the Health and Safety Code.¹ This document is provided as a guideline for the proper submission of geographic descriptions, maps, and fees. Copies of this document, the Statement of Preparation form, sample map and geographic description are available on the Board's website at www.boe.ca.gov and can be accessed by selecting the Taxes & Fees tab, clicking on Property Tax, and then choosing Special Revenue District Boundaries.

In regard to redevelopment project filings, please note the following:

1. The preparation of the report required by § 33328 or § 33328.3 does not begin until the filing is accepted. The Board will send written notice of acceptance. The fees and requirements described in this schedule apply to all statements of preparation.
2. The effective date for an initial or amended redevelopment project must be **on or before August 19** of the equalized assessment roll year in which the base year values are to be valid (§§ 33375, 33457).
3. Following the adoption of the initial or amended redevelopment project, copies of the recorded documents shall be transmitted to county tax officials and the Board **within 30 days** (§§ 33327, 33375, 33457).
4. Adopted initial or amended redevelopment projects must be filed **on or before December 1** of the year immediately preceding the year in which the assessments or taxes are to be levied (§ 33674).

¹ All references are to the Health and Safety Code unless otherwise specified.

EXHIBIT 2-2

5. **All fees shall accompany the filing.** Make checks payable to the “Board of Equalization.” Please reference: Tax Area Services Section, MIC: 59.
6. Mail the completed filing to:

US Postal Delivery

State Board of Equalization
Tax Area Services Section
P.O. Box 942879
Sacramento, CA 94279-0059

FedEx or UPS Delivery

State Board of Equalization
Tax Area Services Section
160 Promenade Cir, Ste 200
Sacramento, CA 95834-2962

Inquiries concerning these requirements should be directed to Tax Area Services Section at 916-274-3250; or by fax at 916-285-0130.

DOCUMENTS REQUIRED TO FILE FOR A REDEVELOPMENT PROJECT

Please submit Items 1 through 5 as a single package:

1. Statement of Preparation (§ 33327)
2. Written geographic description of the project area
3. Maps and supporting documents
4. List of assessor's parcel numbers within the project area
5. Fees

INCOMPLETE FILING PACKAGES will delay processing and may result in the project being held until the following assessment roll year.

The following information is provided to assist you in filing your redevelopment project. Fees charged for processing redevelopment projects, and definitions and special fee provisions are listed on Pages 6 and 7.

Statement of Preparation (§ 33327)

This statement shall be prepared on a redevelopment agency letterhead and contain all items identified in the “Statement of Preparation of Redevelopment Plan or Amended Redevelopment Plan” form (see Exhibit 1 of this document).

Written Geographic Description(s)

Descriptions of territory that are filed with the Board's Tax Area Services Section (TASS) are used to establish geodetic position and are not intended to establish property ownership in a court of law.² Subdivision maps, tract maps, recorded survey maps, survey monuments, assessor's maps, and deeds are not on file with the Board. Boundary descriptions that merely cite recorded documents or refer to assessor's parcels will not be accepted. Any supporting

² Tax Area Services Section is not involved in issues relating to property ownership.

documents may be used as reference only and cannot be used as a substitution. Written geographic descriptions shall conform to the following specifications:

1. Every written geographic description (a document separate from the maps) must stand on its own without the necessity of reference to any extraneous document; a description that relies solely on the use of secondary references will not be accepted. The TASS cartographic staff must be able to plot the boundaries from the written description alone.
2. The written description shall be of the project area only. If a complete description of the special district is filed, the project area shall be clearly identified in a separate document.
3. The geographic description shall:
 - a) State the township and range, section number(s) or rancho(s)
 - b) Have a **point of beginning** (POB) referenced to a known major geographic position (e.g., section corners, intersection of street centerlines, or the intersection of street centerline and an existing boundary at the time of filing). A description will not be accepted if the POB refers only to a tract map, a subdivision map or a recorded survey map. It is preferable that the POB be the point of departure from an existing district boundary (when applicable).
 - c) Be expressed as a specific parcel description in sectionalized land (e.g., "The SW 1/4 of Section 22, T1N, R1W") or by bearings and distances. When the description is by bearings and distances, **all courses shall be numbered and listed individually** in a consistent clockwise direction. The description shall not be written in a narrative format. All courses required to close the traverse of the project area must be stated. All curves must be described by direction of concavity. Delta, arc length, chord, and radius shall be listed, including radial bearings for all points of non-tangency. Following are examples.

Unacceptable: *This description is written in the narrative format and refers only to extraneous documents and does not stand alone.*

"From the point of beginning, northerly to the southwest corner of that certain property recorded in Book 12, Page 15 of Recorded Deeds, thence easterly to the southeast corner of that certain property recorded in Book 12, Page 16 of Recorded Deeds...."

Acceptable: *This is the same description with the courses numbered and the bearings and distances added.*

"From the point of beginning:

Course 1. North 1° 18'56" West a distance of 150' to the southwest corner of that certain property recorded in Book 12, Page 15 of Recorded Deeds, thence,

Course 2. North 85° 7'56" West a distance of 75' to the southeast corner of that certain property recorded in Book 12, Page 16 of Recorded Deeds, thence....

4. The written description shall state the acreage for each separate single area (see Definitions and Special Fee Provisions for the definition of a single area) and a combined total acreage of the project area.

Example: "Area A containing 2.50 acres, Area B containing 1.75 acres: Total computed acreage containing 4.25 acres more or less."

EXHIBIT 2-4

5. The centerline of a railroad right-of-way shall not be used to define the boundary of a redevelopment project. An exception will be granted if an existing political boundary (city or district boundary) lies on such a centerline.
6. All information stated on the description must match with the map(s), such as the name of the short title, the point of beginning, the course numbers, all the bearings and distances, and the acreage(s).

Maps

It is strongly recommended that all maps submitted to the Board be filed in electronic/digital form. Digital information will not be shared without the permission of the applicant.

Any supporting documents may be used as reference only and cannot be used as a substitution.

Maps submitted as part of the redevelopment project filing shall conform to the following specifications:

Map Documents

1. All maps shall be professionally and accurately drawn or copied. Rough sketches or pictorial drawings will not be accepted. Assessor's parcel maps will not be accepted as a substitute for the project map.
2. Original or copies of the same size project map must be submitted. Reduced maps are not acceptable and will be rejected.
3. A vicinity map shall be included. The vicinity map shall show the location of the project area in relationship to a larger geographic area that includes major streets and highways or other physical features.
4. Any portion of an existing district boundary in close proximity to the project area shall be shown and identified.
5. Every map must clearly show all existing streets, roads and highways with their current names that are within and adjacent to the project area. Additionally, every map shall indicate each township and range, section lines and numbers, or ranchos that are in proximity of the project area.
6. Every map shall bear a scale and a north arrow. The **point of beginning** shall be clearly shown and match the written geographic description.
7. The boundaries of the project area shall be distinctively delineated on each map without masking any essential geographic or political features. The boundaries of the project area must be the most predominant line on the map. Boundary lines that are delineated by a line that exceeds 1.5 millimeter in width shall be rejected. The use of graphic tape or broad tip marking pens to delineate the boundary is not acceptable.
8. All dimensions needed to plot the boundaries must be given on the map of the project area. Each map shall have **numbered courses matching the written geographic description**. Index tables may be utilized.

EXHIBIT 2-5

9. All parcels within the project area that touch the new boundary shall be clearly labeled with the assessor's parcel number. Interior parcels that do not touch the boundary need not be identified on the map.
10. If the project area has an interior island(s) of exclusion or the boundary has a peninsula of exclusion (or inclusion), that area(s) should be shown in an enlarged drawing. This drawing should be of sufficient size and scale to allow TASS to plot the boundary without difficulty.
11. When it is necessary to use more than one map sheet to show the boundaries of the project area, the sheet size should be uniform. A small key map giving the relationship of the several sheets shall be furnished. Match lines between adjoining sheets must be used. While the geography on adjoining sheets may overlap, the project boundaries must stop at the match lines. TASS has standardized the D size (24" x 36") map sheet, but will accept larger or smaller map sizes depending on the size and complexity of the individual single area(s).
12. Redevelopment agencies filing according to § 33327 shall send one copy of the map of the proposed or amended project area boundaries to county taxing agency officials.

Digital Maps

Maps that are filed electronically shall conform to the same requirements as described in this section, Items 1 through 12 above. Additional items for digital maps are as follows:

Required files: The disk or CD shall contain only the following files:

- a. Map/drawing file(s) using AutoCAD.dwg format in vector format:
 - Plotting: The map drawing file shall have the same appropriate borders, legends, title blocks, signature block and any necessary information that is required for a manually drawn map.
 - Scale: The drawing shall be at real-world scale.
 - Layers: A listing of the layers and their definitions shall be included in the "read_me" file.
 - File Format: File shall be in vector format only. Raster files, raster-vector hybrid, .pdf, .tiff, .pcx, .eps, .gif, .jpeg or any other image formats will not be accepted.
 - Compressed Files: Files shall be uncompressed; compressed files will not be accepted.
- b. A text file labeled "read_me" listing:
 - The name, address and phone number of the agency/special district
 - County name and city or district name
 - Project/short title of the action
 - Name, address and phone number of office that prepared the map file
 - List of files on the disk or CD
 - Map projection and datum
 - Layer definitions
 - Sheet size
 - Plotting scale
 - Date of creation

EXHIBIT 2-6

c. Labels: The disk or CD must have a label that identifies:

- The agency and/or special district submitting the map
- Name of the project/short title
- County name(s)
- Date of creation

List of Assessor's Parcel Numbers

A list of all assessor's parcel numbers within the project area must be submitted as part of the filing.

Fees

The entire fee indicated below shall accompany the Statement of Preparation. If the proposed project or amendment is terminated prior to formal adoption, the mapping portion of the fee will be refunded. A written notice of termination is required before a refund can be made.

Please use the schedule below to calculate the fees. The fees include an initial charge for the base year calculation and project review based on the total acreage of the project (regardless of the numbers of areas), plus a separate mapping fee for each single area. (See example of fee calculation on the next page). All fees are required at the time of filing.

<u>Acreage Per Area Within Project or Amendment</u>	<u>Base Year Calculation and Project Review</u>		<u>Mapping Fee Per Area</u>		<u>Total Fee</u>
Less than 1 acre	\$500	+	\$ 300	=	\$ 800
1.00 – 5.99	\$500	+	\$ 350	=	\$ 850
6.00 – 10.99	\$500	+	\$ 500	=	\$1,000
11.00 – 20.99	\$500	+	\$ 800	=	\$1,300
21.00 – 50.99	\$500	+	\$1,200	=	\$1,700
51.00 – 100.99	\$700	+	\$1,500	=	\$2,200
101.00 – 500.99	\$700	+	\$2,000	=	\$2,700
501.00 – 1,000.99	\$900	+	\$2,500	=	\$3,400
1,001.00 – 2,000.99	\$900	+	\$3,000	=	\$3,900
2,001.00 and above	\$900	+	\$3,500	=	\$4,400

Example: A project is formed and has 2 separate areas of 13 and 78 acres.

Base year calculation and project review	\$700	(initial fee for the total acreage: 13+78= 91)
Single Area #1	\$800	(mapping fee for 13 acres)
Single Area #2	<u>\$1,500</u>	(mapping fee for 78 acres)
Total Fee	\$3,000	

EXHIBIT 2-7

Definitions and Special Fee Provisions

1. A *single area* means any separate geographical area regardless of ownership. A lot, subdivision or township could each be a single area. A geographical area that is divided into two or more parcels by a roadway, railroad right-of-way, river or stream is considered a single area. Geographic areas that are not contiguous are not considered a single area.
2. Two areas are *contiguous* when the two polygons that define the areas share a common line segment.
3. *Multiple area filings* for redevelopment projects shall be calculated as a separate fee for each single area. A single fee for base year calculation and project review must be computed for each project.

IMPORTANT NOTE: If you have questions regarding filing requirements or fees, please contact the Tax Area Services Section at 916-274-3250, or by fax at 916-285-0130.

BOE Exhibit 1

**STATEMENT OF PREPARATION OF REDEVELOPMENT PLAN OR
AMENDED REDEVELOPMENT PLAN FOR**

(Name of Project)

TO: Auditor, Assessor, Tax Collector of _____ County
All other affected Taxing Entities
State Board of Equalization

Pursuant to section 33327 of the California Health and Safety Code, you are hereby notified that the Redevelopment Agency of the _____ (Name of city or county) is in the process of completing a redevelopment plan for the _____ (Name of project). It is the intention of the Agency to complete said plan and to have it adopted pursuant to the California Community Redevelopment Law.

It is the intention of the Agency to use the (fiscal year) Roll as the Base Year Assessment Roll for the allocation of taxes pursuant to section 33670 of the Health and Safety Code.

Date: _____

Redevelopment Agency of (Name of city or county)

Signature _____

☐ Initial Plan

Name _____

☐ Amended Plan

Title _____

_____ Number of Areas

_____ Acreage of each Area

EXHIBIT 2-9

REDEVELOPMENT PROJECT CHECKLIST

(This checklist is for your convenience only. Please, do not submit it with your filing.)

Did you include the following items?

- ☐ Statement of Preparation (§ 33327)
- ☐ Written Geographic Description:
 - ☐ Can the geographic description stand alone?
 - ☐ Does it include the township & Range, section number(s) or rancho(s)?
 - ☐ Is there a Point of Beginning?
 - ☐ Are the courses numbered to follow a clockwise direction from the point of beginning?
 - ☐ Is the total acreage included?
 - ☐ Does all information on the description match with the map(s)
- ☐ Map(s):
 - ☐ Is the map accurately drawn to professional standards?
 - ☐ Is it the original size copy?
 - ☐ Is a vicinity map included?
 - ☐ Are existing project boundaries shown and identified?
 - ☐ Are existing streets, roads, and highways referenced with their current names?
 - ☐ Does it include the Township and Range, section number(s) or rancho?
 - ☐ Does it have a north arrow and scale bar?
 - ☐ Is the Point of Beginning clearly shown?
 - ☐ Is the boundary made apparent without masking adjacent background features?
 - ☐ Are all courses numbered to follow the written description?
 - ☐ Is each parcel that touches the new boundary and is within the project area labeled with an APN?
 - ☐ Is an enlarge drawing included to show smaller areas of exclusion or inclusion, if applicable?
 - ☐ Is there a key map for multiple sheets?
 - ☐ Does the electronic filing conform to TASS standards?
- ☐ List of assessor's parcel numbers
- ☐ Copies of all documents sent to the county auditor and county assessor (§§ 33327, 33375, 33457)
- ☐ Fees. *Make checks payable to the "Board of Equalization" with reference to Tax Area Services Section, MIC:59.*

Mail completed package to:

US Postal Delivery

State Board of Equalization
Tax Area Services Section
P.O. Box 942879
Sacramento, CA 94279-0059

FedEx or UPS Delivery

State Board of Equalization
Tax Area Services Section
160 Promenade Circle, Suite 200
Sacramento, CA 95834-2962

EXHIBIT 2-10

**COUNTY OF OZ
AUDITOR-CONTROLLER
IMPLEMENTATION OF THE TERMINATION
EMERALD REDEVELOPMENT PROJECT**

EFFECTIVE FISCAL YEAR:	2011-2012
FISCAL YEAR 2010-2011 EQUALIZED TAX INCREMENT:	\$ 650,000
TRA 003-032	\$ 400,000
TRA 003-040	\$ 250,000

STEP 1:				REMOVE THE PROJECT FROM THE AFFECTED TRA			
TRA 003-032				TRA 003-040			
PRIOR TO THE PROJECT'S TERMINATION		AFTER THE PROJECT'S TERMINATION		PRIOR TO THE PROJECT'S TERMINATION		AFTER THE PROJECT'S TERMINATION	
BOE Tax Code	AB 8 Factor	BOE Tax Code	AB 8 Factor	BOE Tax Code	AB 8 Factor	BOE Tax Code	AB 8 Factor
18700	0.000000			18700	0.000000		
30000	0.124770	30000	0.124770	30000	0.124770	30000	0.124770
30100	0.047923	30100	0.047923	30100	0.047923	30100	0.047923
30300	0.013238	30300	0.013238	30300	0.013238	30300	0.013238
32400	0.011182	32400	0.011182	32400	0.012182	32400	0.012182
32600	0.014828	32600	0.014828	32600	0.014828	32600	0.014828
34400	0.015384	34400	0.015384	34400	0.015384	34400	0.015384
34700	0.016154	34700	0.016154	34700	0.015154	34700	0.015154
35300	0.013557	35300	0.013557	35300	0.013557	35300	0.013557
36500	0.436055	36500	0.436055	36500	0.436055	36500	0.436055
37700	0.040634	37700	0.040634	37700	0.040634	37700	0.040634
37800	0.064850	37800	0.064850	37800	0.044850	37800	0.044850
38100	0.201425	38100	0.201425				
				40100	0.221425	40100	0.221425
	<u>1.000000</u>		<u>1.000000</u>		<u>1.000000</u>		<u>1.000000</u>

EXHIBIT 3-1

**COUNTY OF OZ
AUDITOR-CONTROLLER
IMPLEMENTATION OF THE TERMINATION
EMERALD REDEVELOPMENT PROJECT**

EFFECTIVE FISCAL YEAR: **2011-2012**
FISCAL YEAR 2010-2011 EQUALIZED TAX INCREMENT: **\$ 650,000**
TRA 003-032 **\$ 400,000**
TRA 003-040 **\$ 250,000**

STEP 2: RE-ALLOCATING THE TAX INCREMENT						TOTAL AMOUNT
TRA 003-032			TRA 003-040			
\$ 400,000			\$ 250,000			\$ 650,000
BOE Tax Code	AB 8 Factor Factor		BOE Tax Code	AB 8 Factor Factor		
30000	0.124770	\$ 49,908	30000	0.124770	\$ 31,193	\$ 81,101
30100	0.047923	19,169	30100	0.047923	11,981	31,150
30300	0.013238	5,295	30300	0.013238	3,310	8,605
32400	0.011182	4,473	32400	0.012182	3,046	7,518
32600	0.014828	5,931	32600	0.014828	3,707	9,638
34400	0.015384	6,154	34400	0.015384	3,846	10,000
34700	0.016154	6,462	34700	0.015154	3,789	10,250
35300	0.013557	5,423	35300	0.013557	3,389	8,812
36500	0.436055	174,422	36500	0.436055	109,014	283,436
37700	0.040634	16,254	37700	0.040634	10,159	26,412
37800	0.064850	25,940	37800	0.044850	11,213	37,153
38100	0.201425	80,570			-	80,570
			40100	0.221425	55,356	55,356
	1.000000	400,000		1.000000	250,000	\$ 650,000

EXHIBIT 3-2

**COUNTY OF OZ
IMPLEMENTATION OF THE TERMINATION
EMERALD REDEVELOPMENT PROJECT**

EFFECTIVE FISCAL YEAR:

2011-2012

FISCAL YEAR 2010-2011 EQUALIZED TAX INCREMENT (TI):	\$	650,000
TRA 003-032	\$	400,000
TRA 003-040	\$	250,000

STEP 3: ADJUSTING THE AFFECTING TAXING ENTITIES' 2010-2011 EQUALIZED REVENUES

BOE Tax Code	2010-2011 EQUALIZED REVENUES	2010-2011 RDA EQUALIZED TI	ADJUSTED 2011-2012 BEGINNING REVENUES
30000	\$ 5,000	\$ 81,101	\$ 86,101
30100	2,000	31,150	33,150
30300	45,300	8,605	53,905
32400	15,000	7,518	22,518
32600	28,000	9,638	37,638
34400	900,000	10,000	910,000
34700	4,500,000	10,250	4,510,250
35300	48,000	8,812	56,812
36500	280,000,000	283,436	280,283,436
37700	48,000,000	26,412	48,026,412
37800	160,000	37,153	197,153
38100	150,000,000	80,570	150,080,570
40100	49,000	55,356	104,356
	483,752,300	650,000	484,402,300

EXHIBIT 3-3

UNITARY DEBT SERVICE TAX RATE

R&T Code §100(2)(A)

STEP NUMBER	DESCRIPTION	CALCULATION BY STEP	AMOUNT
1	PY Unitary Debt Service Rate		<u>0.1448%</u>

R&T Code §100(2)(B) (from FY1989-90 forward)

2	Countywide Secured (including Homeowners Exemption-R&T Code §95(c)) Debt Service Levy	Immediate Prior Fiscal Year	\$ 25,194,664
3	Countywide Secured (including Homeowners Exemption-R&T Code §95(c)) Debt Service Levy	Second Prior Fiscal Year	<u>\$ 20,647,479</u>
4	Percentage of difference between the two preceding fiscal years	2 divided by 3	<u>1.2202</u>
5	Final Unitary Debt Service Tax Rate	4 multiplied by 1	<u>0.1767%</u>

R&T Code §100(2)(A)

6	Current Year Unitary Value		<u>\$ 1,057,241,800</u>
7	Current Year Unitary Debt Service Levy	6 multiplied by 5	<u>\$ 1,868,146.26</u>

Exhibit 4-1

ALLOCATION OF COUNTYWIDE UNITARY REVENUES TO JURISDICTIONS

SAMPLE INCLUDING RDA

COLUMNS:	A	B	C	D	E	F	G
	PRIOR YEAR UNITARY TAX REVENUE	ALLOC OF UP TO 102% OF P/Y FACTOR	AMOUNT	EXCESS OVER 102%* FACTOR	AMOUNT	CUR YEAR UNITARY TAX REVENUE COL. C + E	** ALLOC. FACTOR
JURISDICTION							
County General	\$ 6,730,560.25	0.26922241	\$ 6,865,171.46	0.20922241	\$ 941,500.85	\$ 7,806,672.30	0.26022241
Air Pollution Control	18,651.75	0.00074607	19,024.79	0.00080607	3,627.32	22,652.10	0.00075507
Special Roads #3	109,881.00	0.00439524	112,078.62	0.00445724	20,057.58	132,136.20	0.00440454
County Library	504,523.00	0.02018092	514,613.46	0.02024392	91,097.64	605,711.10	0.02019037
Port Emerald Harbor	358,338.25	0.01433353	365,505.02	0.01439453	64,775.39	430,280.40	0.01434268
County Flood Control	71,367.50	0.00285470	72,794.85	0.00340470	15,321.15	88,116.00	0.00293720
Good Witch Water Dist	77,346.50	0.00309386	78,893.43	0.00359386	16,172.37	95,065.80	0.00316886
Redevelopment Agency #1	152,836.25	0.00611345	155,892.98	0.00615345	27,690.53	183,583.50	0.00611945
Winkies Unified School Dist	10,973,797.50	0.43895190	11,193,273.45	0.44450190	2,000,258.55	13,193,532.00	0.43978440
Great Wizard Comm Coll.	1,952,222.50	0.07808890	1,991,266.95	0.07814890	351,670.05	2,342,937.00	0.07809790
County School Service	1,156,962.50	0.04627850	1,180,101.75	0.04633850	208,523.25	1,388,625.00	0.04628750
ERAF	2,893,513.00	0.11574052	2,951,383.26	0.16873452	759,305.34	3,710,688.60	0.12368962
Total	<u>\$ 25,000,000.00</u>	<u>1.00000000</u>	<u>\$ 25,500,000.00</u>	<u>1.00000000</u>	<u>\$ 4,500,000.00</u>	<u>\$ 30,000,000.00</u>	<u>1.00000000</u>
Current Year Total Unitary Revenue		<u>\$ 30,000,000.00</u>					
Prior Year up to 102%		<u>\$ 25,500,000.00</u>					
Excess Over 102%		<u>\$ 4,500,000.00</u>					

*AB8 Allocation Factors

**Next year's Column B

* Sample comes from Section B- Tax Levy Process 11/17/2008

Exhibit 4-2

ALLOCATION OF COUNTYWIDE UNITARY REVENUES TO JURISDICTIONS

EXAMPLE REDISTRIBUTING RDA PORTION

COLUMNS:	A	B	C	D	E	F	G	H	I
	PRIOR YEAR UNITARY TAX REVENUE	ALLOC OF UP TO 102% OF P/Y FACTOR	AMOUNT	EXCESS OVER 102%* FACTOR	AMOUNT	CUR YEAR UNITARY TAX REVENUE COL. C + E	** ALLOC. FACTOR Q/\$Q\$25	DELETE RDA AND REDISTRIBUTE 183,583.50 \$US9*U	CUR YEAR UNITARY REMOVING RDA COL. Q + U
County General	\$ 6,730,560.25	0.26922241	\$ 6,865,171.46	0.20922241	\$ 941,500.85	\$ 7,806,672.30	0.261824633	48,066.68	7,854,738.98
Air Pollution Control	18,651.75	0.00074607	19,024.79	0.00080607	3,627.32	22,652.10	0.000759719	139.47	22,791.57
Special Roads #3	109,881.00	0.00439524	112,078.62	0.00445724	20,057.58	132,136.20	0.004431659	813.58	132,949.78
County Library	504,523.00	0.02018092	514,613.46	0.02024392	91,097.64	605,711.10	0.020314685	3,729.44	609,440.54
Port Emerald Harbor	358,338.25	0.01433353	365,505.02	0.01439453	64,775.39	430,280.40	0.01443099	2,649.29	432,929.69
County Flood Control	71,367.50	0.00285470	72,794.85	0.00340470	15,321.15	88,116.00	0.00295528	542.54	88,658.54
Good Witch Water Dist	77,346.50	0.00309386	78,893.43	0.00359386	16,172.37	95,065.80	0.003188371	585.33	95,651.13
Redevelopment Agency #1	152,836.25	0.00611345	155,892.98	0.00611345	27,510.53	-	0	0.00	0.00
Winkies Unified School Dist	10,973,797.50	0.43895190	11,193,273.45	0.44450190	2,000,258.55	13,193,532.00	0.44249221	81,234.27	13,274,766.27
Great Wizard Comm Coll.	1,952,222.50	0.07808890	1,991,266.95	0.07814890	351,670.05	2,342,937.00	0.07857876	14,425.76	2,357,362.76
County School Service	1,156,962.50	0.04627850	1,180,101.75	0.04633850	208,523.25	1,388,625.00	0.04657250	8,549.94	1,397,174.94
ERAF	2,893,513.00	0.11574052	2,951,383.26	0.16873452	759,305.34	3,710,688.60	0.124451193	22,847.19	3,733,535.79
Total	\$ 25,000,000.00	1.00000000	\$ 25,500,000.00	0.99996000	\$ 4,499,820.00	\$ 29,816,416.50	1.00000000	183,583.50	\$ 30,000,000.00
Current Year Total Unitary Revenue		\$ 30,000,000.00							
Prior Year up to 102%		\$ 25,500,000.00							
Excess Over 102%		\$ 4,500,000.00							

*AB8 Allocation Factors

**Next year's Column B

ALLOCATION OF DEBT SERVICE REVENUE

Calculations showing RDA Unitary Debt Service Levy

	1	2	3	4	5	6	7
	PRIOR YEAR DEBT SERVICE REVENUE	PRIOR YEAR UNITARY DEBT SERVICE REVENUE	PERCENT Col 2 /Col 1	CURRENT YEAR DEBT SERVICE REQUIREMENT	UNITARY PORTION OF REQUIRED AMOUNT Col 3 x Col 4	UNITARY DEBT SERVICE ALLOCATION FACTOR	CURRENT YEAR UNITARY DEBT SERVICE LEVY Col 6 x Exhibit 1-1
Air Control Bond	14,288,339.09	1,137,309.45	0.0796	15,227,608.17	1,212,117.61	0.6784	1,267,350.43
Port Emerald Bond	2,759,161.18	181,815.57	0.0659	3,406,140.55	224,464.66	0.1257	234,825.98
Munchkin Sch Bnd A	7,667,254.41	224,913.92	0.0293	7,849,584.25	229,992.82	0.1288	240,617.24
Munchkin Sch Bnd B	150,237.89	1,288.50	0.0086	501,181.19	4,310.16	0.0024	4,483.55
Flood Control Bond	225,360.36	1,680.30	0.0075	690,377.90	5,177.83	0.0029	5,417.62
Good Witch Bond	637,810.33	61,072.86	0.0958	446,906.35	42,813.63	0.0240	44,835.51
RDA #1	14,576.82	4,686.36	0.3215	13,763.18 #	4,424.86	0.0025	4,670.37
Library Bond	148,998.32	52,056.12	0.3494	146,054.44	51,031.42	0.0286	53,428.98
Munchkin Sch Bnd C	***SEE BOX A BELOW***		0.0284	422,092.43	11,987.43	0.0067	12,516.58
TOTAL	25,891,738.40	1,664,823.08		28,703,708.46	1,786,320.42	1.0000	1,868,146.26

*****BOX A -- TO ADD A NEW BOND***:**

	A	B	C
	TOTAL PRIOR YEAR SECURED REVENUE (INCL. HOPTR)	TOTAL PRIOR YEAR UNITARY REVENUE	UNITARY PERCENT OF TOTAL REVENUE Col B/Col A
TAXING JURISDICTION	1%	1%	
Munchkin School District - General Fund	2,488,760.98	70,736.91	0.0284

BOX B - RDA DEBT SERVICE REQUIRED

RDA DEBT SERVICE DESCRIPTION	RDA PRIOR YEAR DEBT SVC REVENUE	RDA CURRENT YEAR DEBT SVC REQUIREMENT
Secured	\$ 9,576.82	\$ 9,909.49
Unitary	0.00	0.00
HOPTR	4,023.47	3,853.69
Unsecured	976.53	0.00
Total	\$ 14,576.82	\$ 13,763.18

Note to Column 7: Exhibit 1-1, Step Number 7 shows the calculation of the Current Year Unitary Debt Service Levy

*Sample comes from Section B- Tax Levy Process 11/17/2008

Exhibit 4-4

ALLOCATION OF DEBT SERVICE REVENUE

EXAMPLE REMOVING RDA FROM DEBT SERVICE REVENUE

	1	2	3	4	5	6	7
	PRIOR YEAR DEBT SERVICE REVENUE	PRIOR YEAR UNITARY DEBT SERVICE REVENUE	PERCENT Col 2 /Col 1	CURRENT YEAR DEBT SERVICE REQUIREMENT	UNITARY PORTION OF REQUIRED AMOUNT Col 3 x Col 4	UNITARY DEBT SERVICE ALLOCATION FACTOR	CURRENT YEAR UNITARY DEBT SERVICE LEVY Col 6 x Exhibit 1-1
Air Control Bond	14,288,339.09	1,137,309.45	0.0796	15,227,608.17	1,212,117.61	0.6803	1,270,899.91
Port Emerald Bond	2,759,161.18	181,815.57	0.0659	3,406,140.55	224,464.66	0.1260	235,386.43
Munchkin Sch Bnd A	7,667,254.41	224,913.92	0.0293	7,849,584.25	229,992.82	0.1291	241,177.68
Munchkin Sch Bnd B	150,237.89	1,288.50	0.0086	501,181.19	4,310.16	0.0024	4,483.55
Flood Control Bond	225,360.36	1,680.30	0.0075	690,377.90	5,177.83	0.0029	5,417.62
Good Witch Bond	637,810.33	61,072.86	0.0958	446,906.35	42,813.63	0.0240	44,835.51
RDA #1	14,576.82	4,686.36	0.0000	0.00 #	0.00	0.0000	0.00
Library Bond	148,998.32	52,056.12	0.3494	146,054.44	51,031.42	0.0286	53,428.98
Munchkin Sch Bnd C	***SEE BOX A BELOW***		0.0284	422,092.43	11,987.43	0.0067	12,516.58
TOTAL	25,891,738.40	1,664,823.08		28,689,945.28	1,781,895.56	1.0000	1,868,146.26

*****BOX A -- TO ADD A NEW BOND***:**

	A	B	C
	TOTAL PRIOR YEAR SECURED REVENUE (INCL. HOPTR)	TOTAL PRIOR YEAR UNITARY REVENUE	UNITARY PERCENT OF TOTAL REVENUE Col B/Col A
TAXING JURISDICTION	1%	1%	
Munchkin School District - General Fund	2,488,760.98	70,736.91	0.0284

BOX B - RDA DEBT SERVICE REQUIRED

RDA DEBT SERVICE DESCRIPTION	RDA PRIOR YEAR DEBT SVC REVENUE	RDA CURRENT YEAR DEBT SVC REQUIREMENT
Secured	\$ 9,576.82	\$ (3,853.69)
Unitary	0.00	0.00
HOPTR	4,023.47	3,853.69
Unsecured	976.53	0.00
Total	\$ 14,576.82	\$ -

Note to Column 7: Exhibit 1-1, Step Number 7 shows the calculation of the Current Year Unitary Debt Service Levy

*Sample comes from Section B-Tax Levy Process 11/17/2008

**Reference Items Section
Chapter F-1**

CALENDAR

INTRODUCTION

This calendar features those property tax items, which may be required and/or of interest, for the county auditor. It was compiled from the State Board of Equalization's Property Tax Law Guide Calendar and other resources. This calendar is based on a fiscal year beginning July 1 and ending June 30.

MAIN TOPIC

This property tax calendar provides code references and descriptions of duties, along with statutory dates on a monthly basis.

METHODOLOGY

1. Review the calendar at least one month in advance. Throughout the year there are due dates on the first days of the new month.
2. In practically all cases, the act required may be done before the specified date. Generally, code sections read "...on or before...".
3. If the specified date falls on Saturday, Sunday, or a legal holiday, the act required may be done on the next business day. In all cases, carefully review any State correspondence regarding due dates.
4. The following abbreviations are used in the calendar:
 - (1) **RT** = Revenue and Taxation Code Section
 - (2) **ED** = Education Code Section
 - (3) **GC** = Government Code Section
 - (4) **HS** = Health and Safety Code Section
 - (5) **PR** = Public Resources Code Section
 - (6) **SHWY** = Street and Highway Code Section
 - (7) **CY** = Current Year
 - (8) **PY** = Prior Year
 - (9) **SCO** = State Controller's Office
 - (10) **BOE** = State Board of Equalization
 - (11) **T/C** = Tax Collector
 - (12) **Assessor** = Assessor
 - (13) **H/O** = Home Owners Exemption
 - (14) **HOPTR** = Home Owners Property Tax Relief
 - (15) **ATI** = Annual Tax Increment

ADDITIONAL CONSIDERATIONS

There are special legislative provisions for certain counties; therefore, review any related code sections referenced in this calendar to insure compliance.

Some requirements listed in this calendar may be the responsibility of other county departments. Verify reporting responsibilities with your county auditor.

Identified below are statutory items with no due dates. Refer to your county's procedures for applicable dates.

Code References	Description	Notation	Comments
Fish & Game Code §1504	State wildlife management tax remittance		
R&T Code §95.2 & 95.3	Property Tax Administrative Costs		
GC Code §29304	Direct charge recovery costs paid into the general fund of the county		
R&T Code §4836.5	Inform Assessor and Tax Collector last date current secured assessor's roll corrections will be processed		

There are now state websites available to the public. These websites may also provide updated forms for reporting purposes. The State Controller's Office site is <https://sco.ca.gov/> BOE's site is www.boe.ca.gov, and Revenue and Taxation Codes can be found at <http://leginfo.legislature.ca.gov/>. In addition, the State Association of County Auditors has a website available for the public and auditor personnel. Their website is www.calsaca.org. Your county auditor should have details on this website.

MONTH OF JULY

Code References	Description	Statutory Date	Notation	Comments
RT 616, 617, 1646, 2152	Locally assessed Valuation Roll Due from County Assessor	07/01		Assessor may be granted an extension of up to 30 days by BOE
ED 15740, 16088	Annual Computation of Interest	07/01		Due from State: State Forms CAM 215, 218, 321, 322 & 337
GC 56381(c)	Auditor invoices agencies for LAFCO expenses	07/01		See D-2, Part 4, Jurisdictional Changes
RT 755	Preliminary State Assessed Utility Values due from BOE	07/15		
GC 27423(d)	Certify to SCO property tax revenue attributable to timber	07/15		Primarily applicable to counties listed in R&T 38105
RT 756	Final State Assessed Utility Values due from BOE	07/31		
RT 2910.1	Unsecured tax bills mailed by T/C	07/31		Bills must be mailed no later than 30 days prior to the date taxes are delinquent
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 07/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4373 & 4374	Charge T/C for defaulted secured	After property becomes tax defaulted		This charge increases the redemption roll.
RT 2927.3	Certify unpaid taxes on unsecured Property	Upon completion of delinquent roll		See Certified Delinquent Amounts Chapter
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
GC 29142	Debt Svc Admin Fee for PY	per Board Order		Excludes School Bonds
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually

MONTH OF AUGUST

Code References	Description	Statutory Date	Notation	Comments
RT 75.70	School Average Daily Attendance (ADA) mailed by CA Dept. of Education	08/01		Used to calculate Supplemental apportionment factors.
RT 1647-49, 2152	Local Assessed valuations of each city, unincorporated area, & Supplemental tax billings and collections	08/15		State Form BOE-822 entitled Statement of the County Auditor to BOE and SCO
ED 41760.2	Taxes Report (J-29) of actual property taxes distributed to schools for PY	08/15		State Taxes Report (J-29-B & J-29-C) software downloaded from CDE, data entry, then transmit to CA Dept. of Ed
ED 84207	CCFS 329 Report of actual property taxes distributed to community colleges PY & proposed ERAF revenue	08/15		State Form CCFS-329 Completed online at CCCCCO website.
HS 33672.7	PY RDA disbursement report	08/15	Repealed 7/19/05	Enacted in 1998 effective 1/1/99
RT 2052	Equalized Roll Date for CY values	08/20		Valuations set as equalized date pertinent if correction made to 7/1 A/V
Various GC 26911	Last date direct charges due with Auditor approval, for current year tax bills	Dependent on code 8/10, 8/20 or 3rd Monday		Cutoff date for final balanced amounts added to CY secured tax bills. Refer to Direct charges Chapter. Dates may be set by agreements.
GC 51510	Certified Values to taxing entities	3 rd Monday		
RT 2922	Current Year Unsecured Taxes due and payable without penalty	08/31		If date falls on weekend/holiday payment can be made before close of next business day without penalty.
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 08/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
RT 1647	Prepare corrected valuation statement to the County Board of Equalization (Assessment Appeals Board) if required	60 days after the end of the fiscal year		Within 60 days after close of the prior fiscal year
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually
RT 5151(a)	T/C to provide annualized rate of interest earned-"county pool apportioned rate"	60 days after the end of the fiscal year		

MONTH OF SEPTEMBER

Code References	Description	Statutory Date	Notation	Comments
RT 2601(a)	Deliver secured roll and affidavit to T/C	4th Monday		See October for electronic format (RT 2601(b) & (c))
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 09/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually

MONTH OF OCTOBER

Code References	Description	Statutory Date	Notation	Comments
HS 34186	Successor Agency for RDA submit Prior Period information for Prior Period Adjustments to Auditor	10/1		
GC 29100(a)	Co Board of Supervisors adopts tax rates for voter approved debt	On or before 10/03		
RT 2601(b) & (c)	Deliver secured roll and affidavit or tax bills and affidavit to T/C	10/16		For electronic formats
GC 16144	Report to the Secretary of the Resources Agency land qualified for state payments	10/31		Referred to as the Open Space Report
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 10/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4703 & 4703.2	Choose which Teeter procedures to use. BOS may change with resolution	10/31		
RT 4831et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
N/A	Prepare and submit Homeowner's Property Tax Relief Claim to the State.	See December		Not required until December 1. If county wants to receive first payment in November, need to submit by 10/31
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually

MONTH OF NOVEMBER

Code References	Description	Statutory Date	Notation	Comments
RT 2610.5	CY Secured Tax Bills mailed	11/01		
RT 2605	CY Secured 1st Installment due	11/01		
ED 41760.2	Taxes Report (J-29) Estimate for Schools due to Dept of Education	11/15		State Taxes Report (J-29-B & C) P-1 Estimate using downloaded software
ED 84207	CCFS 329 Estimated taxes for community colleges report due	11/15		State Form CCFS-329 Completed online at CCCCCO website.
RT 97.3(d)(3)	Calculate ERAF estimate for California Community Colleges	11/30		State Chancellor Form CCFS-ERAF Accompanies CCFS-329
GC 16120	15% of HOPTR Claim Due from State	11/30		
SH 104.10	State remittance of highway property rental	11/30		
RT 38905.1	Receive Timber Yield Tax remittance	11/30		Must be apportioned within 10 days of receipt
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 11/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually
SH 104.10	Apportion Highway Property Tax Rental	11/01 or thereafter		
GC 16120	Apportion 15% of HOPTR to agencies	Upon Receipt		Apportionment from the State could be delayed if the county's HOPTR claim is not received by mid-November (see Ch C, Sec 3, Part 8)

MONTH OF DECEMBER

Code References	Description	Statutory Date	Notation	Comments
GC 29100.6 & 16120	Annual Claim for homeowner's state subvention for current year.	12/01	Submit early to avoid delay of apportionment from the State	Also in constitution, reimbursement of tax loss due to 7,000 homeowner exemption
GC 29109	Annual Report of Taxes Levied all jurisdictions & RDAs	12/01		SCO Forms LGRS 200 thru 206 \$1,000 fine to auditor for failure to file.
GC 54902	Last day to report creation or change in boundaries to Assessor and BOE	12/01		
RT 2617	Final day to pay Current Secured 1st installment without 10% penalty	12/10		
Fish & Game 1504	State wildlife management tax remittance	12/10		No statutory date set for apportionment
GC 16120	35% of HOPTR State subvention payment due from State	12/31		
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 12/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required As required As required As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually
RT 38905.1	Apportion Timber Tax Yield Tax	On or before 12/10		
GC 16120	Apportion 35% of HOPTR to agencies	Upon Receipt		

MONTH OF JANUARY

Code References	Description	Statutory Date	Notation	Comments
RT 51	California CCPI mailed by BOE	01/01		Maximum 2% roll increase
RT 2192, 722, 722.5	Lien of taxes attaches at 12:01a.m. for all taxable property	01/01		Applies to both State and Taxpayers
RT 4836.5	Increases added to the current roll	after 01/01		Upon approval by T/C
HS 34185, 34188	Remit RPTTF to Successor Agency for RDA ROPS approved amounts. RPTTF payments to taxing jurisdictions	1/2		
GC 30101, 30103, 30104	Report & pay State portion Redemption Fee, Semi Annual Settlement	01/15		Fine for noncompliance Form No. COL-225
EC 16000, 16344	CAM 314 Report of corrected values of Schools with State building Loan	01/28		Report Supplied by SCO with schools funds to be reported
RT 97.70	Allocate one-half of VLF Adjustment Amount	On or Before 1/31		
RT 2623 (a)(b)(c)(d)	Compute, foot, charge, and deliver delinquent penalties on unpaid secured taxes to T/C	Prior to 02/01		See Certified Delinquent Amounts Chapter
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 01/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually

MONTH OF FEBRUARY

Code References	Description	Statutory Date	Notation	Comments
RT 2606	CY Secured Second Installment Due	02/01		
HS 34186	Auditor Prior Period Adjustment review due to DOF	2/1		Commencing 2019
RT 5763	Racehorse in lieu tax delinquent	02/15		See Miscellaneous Taxes Chapter
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 02/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831 et seq,	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed	As needed	See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually
RT 5790	Apportion all proceeds Racehorse Tax	02/16 or thereafter		To be apportioned as promptly as feasible. See Miscellaneous Taxes Chapter

MONTH OF MARCH

Code References	Description	Statutory Date	Notation	Comments
N/A	Tax Rate Area Chart available from BOE website, for following fiscal year	03/21		Statement of Boundary Charges are available on BOE website. Preliminary (Feb/March) and Final (April/May)
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 03/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually

MONTH OF APRIL

Code References	Description	Statutory Date	Notation	Comments
RT 2618	Final day to pay Second Installment on Current Secured without 10% penalty or cost	04/10		
EC 41760.2	Taxes Report (J-29) Revised estimate of property tax revenues for schools	04/15		State Taxes Report (J-29-B & C) P-2 using downloaded software.
EC 84207	CCFS 329 revised estimate of property tax revenues for community colleges.	04/15		State Forms CCFS-ERAF and CCFS-329-E completed online at CCCCCO website
GC 16120	35% HOPTR Subvention Payment due from State	04/30		
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 04/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually
GC 16120	Apportion 35% of HOPTR to agencies	Upon Receipt		

MONTH OF MAY

Code References	Description	Statutory Date	Notation	Comments
RT 2227	Dept of Finance Annual report of Population & CCPI % Change	05/01		Used for calculation of Prop 4 limits
RT 38905.1	Timber Yield Tax Allocation due from State	05/31		
GC 16120	Final 15% HOPTR subvention due from State	05/31		Verify amount is equal to final 15% of the amount claimed for CY
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 05/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 97.70	Allocate one-half of VLF Adjustment Amount	On or Before 5/31		
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds Calculate & mail new Supplementals	As required		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
GC 16120	Apportion 15% of HOPTR to agencies	Upon Receipt		
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually

MONTH OF JUNE

Code References	Description	Statutory Date	Notation	Comments
RT 2624-27	Settle and deliver certified delinquent roll to T/C	06/01 - 06/04		See Certified Delinquent Amounts Chapter
HS 34185, 34188	Remit RPTTF to Successor Agency for RDA ROPS approved amounts. RPTTF payments to taxing jurisdictions	6/1		
RT 2851,2855	Deliver certified secured roll to T/C with delinquent penalties and cost	06/01		This is an optional method
GC 30101, 30103, 30104	Report & pay State portion Redemption Fee, Semi Annual Settlement	06/15		Fine for noncompliance Form No. COL-225
RT 4701 et seq.	Yearend buyout of delinquent current secured taxes	06/25		"Teeter" alternative distribution of current secured taxes
GC 29480-84	U.S. Forest Reserve In Lieu Remittance	06/30		
GC 16144	Open Space Subvention due from State	06/30		
PR 8555-8556	Federal Grazing Lands fees Remittance	06/30		
RT 2616, 4108, GC 27061	T/C report of collections	Date set by Auditor, 06/10		Collection periods vary depending on tax roll & whether it's current or PY delinquencies
RT 4831 et seq.	Auditor enters all corrections to rolls (BOE, Assessor, T/C, appeals, etc.)	As needed		See Tax Roll Changes Chapter
RT 75.40, 75.41, 75.43, 75.41	Supplemental Roll: • Receive Supplemental values from Assessor • Corrections • Issue negative Assessment refunds • Calculate & mail new Supplementals	As needed		See Supplemental Roll Maintenance Chapter
Apportionments made during Month				
Code References	Description	Statutory Date	Notation	Comments
GC 29480-84	Apportion U.S. Forest Reserve In Lieu payment	06/30		Apportionment shall be immediately upon receipt
PR 8558	Apportion Federal Grazing Lands fees	06/30		Apportionment shall be immediately upon receipt
RT 75.70	Apportion Supplemental collections	As required		County population under 500,000 may apportion biannually

Reference Items Section
Chapter F-2

GLOSSARY

1% general tax – The results of the application of the 1% (Proposition 13) **tax rate** against the net assessed **valuation** of non-**unitary** property.

1½% (redemption) interest – The amount calculated on the balance of the **redemption amount** on the first day of each month following the preceding payment when **defaulted taxes** are paid via the Installment plan (R&T Code §4221). Redemption amount, as used only for Part 7, Chapter 3 (R&T Code §4216 et seq.), is defined as “the total amount which would be necessary to redeem **tax-defaulted property** at the time an election is made to pay delinquent taxes in installments. At the time that the taxpayer opts for the installment plan, the 1½% **redemption penalty** discontinues accruing. Instead, the 1½% Interest begins to accrue, but only on the unpaid portion of the redemption amount (as defined in R&T Code §4216 et seq.).

1½% redemption penalty – The penalty applied to **defaulted taxes** beginning July 1st of the year in which the tax was transferred to the **delinquent roll** at the time of **redemption** (R&T Code §4103).

\$4.00 tax rate – \$4 per \$100 of **assessed value** (25% of **market value**) was the maximum **tax rate** allowed after the passage of **Proposition 13** in 1978. Effective July 1, 1981, and each year thereafter, all property was assessed at 100% of **full cash value** and was taxed at a maximum rate of \$1 per \$100 of assessed value.

1911 Act Bonds – Bonds issued to represent an individual assessment **lien** against **parcels** within an **assessment district**.

1915 Act Bonds – The total bonds issued to represent unpaid **liens** where each **parcel assessment** amount is based on that parcel's proportionate share of benefit.

1979-80 Base Property Taxes – The original **base revenue** for all **jurisdictions** defined by **Assembly Bill 8 (AB8)**. The calculation is illustrated in the History Chapter (A-2).

4 Year Pay Plan – **Escape assessments** may be paid over a 4-year period at the option of the assessee pursuant to Revenue and Taxation Code §4837.5. Also referred to as **Escape Installment Plan**.

5 Year Pay Plan – See **Permanent Installment Plan**.

601 Roll – From R&T Code §601: “The assessor shall prepare an **assessment roll**, as directed by the board, in which shall be listed all property within the county, which it is the assessor's duty to assess.” This **roll** is then turned over to the auditor on July 1. Also known as the **certified roll**.

AAB – See **Assessment Appeals Board**.

AB1290 – Assembly Bill 1290, Chapter 942, Statutes of 1993, is a major **RDA** reform bill, which went into effect on January 1, 1994.

AB8 – Assembly Bill 8, Chapter 282, Statutes of 1979 enacted as a method for the distribution of property taxes in accordance with the intent of **Proposition 13**.

AB8 Allocation – A distribution methodology enacted by **Assembly Bill 8** in 1979 as a means to administer the distribution of the 1% general property tax.

AB8 Factor – The percentage/factor developed in accordance with AB8 (R&T Code §96 et seq.) for the **apportionment** of nonunitary 1% general tax.

ADA – See **Average Daily Attendance**

Abstract – All delinquent unpaid bills associated to a **parcel**.

Abstract List – A list of all unpaid **parcels** for all prior years as of June 30th. It contains all information in the **rolls** from which it is prepared relating to the unpaid items in a form approved by the State Controller.

Ad Valorem – A Latin phrase meaning “according to value”, usually used in conjunction with **tax rates** and taxation that is based on or applied to the taxable value of property. (R&T Code §93 & §2202)

Ad Valorem Tax – A tax amount determined by multiplying the taxable value times the **tax rate**.

Allocation Factors – For **RDAs**, the percentage by **taxing jurisdiction** that is used to determine the amount of **pass-through** revenue to be returned from the RDA. See also **TRA Allocation Factors**.

Alternative Method of Tax Apportionment – See **Teeter plan**.

Amortization Schedule – A table providing the principal and interest payments due for a debt issue.

Annexation – The addition of territory to a **jurisdiction's** boundaries.

Annual Tax Increment (ATI) – The difference of property tax revenue by multiplying the value of the change in taxable **assessed value** from the **equalized assessment roll** for the prior fiscal year to the equalized assessment roll for the current fiscal year by a **tax rate** of one (\$1) dollar per one hundred dollars (\$100) of **assessed value**, generally referred to as “growth”. See also **decrement**. (See R&T Code §96.5)

Apportioned Tax Resource Account – See **Apportioned Taxes Resource Fund (ATRF)**.

Apportioned Taxes Resource Fund (ATRF) – The fund required by R&T Code §4703(b) to control the receivables of the **Teeter** Method of distributing property taxes. Referred to as **Tax Resource Fund**.

Apportionment – The distribution of property tax collections to the individual **taxing jurisdictions**.

Apportionment Factors – The percentages used to distribute collections of the 1% taxes to each **taxing jurisdiction** based on statutory formulae. See **AB8** and **Unitary** chapters.

Appropriations (Subject to the) Limit – All proceeds of taxes are subject to the **Gann Limits**, less any exclusions. (See Guidelines for more detail.)

Assessee – Person, party or entity who owns, claims, possesses, or controls the property on the lien date (R&T Code §405).

Assessed Value or Valuation – One hundred percent of the **full cash value** of property as determined by the county assessor or the **State Board of Equalization (BOE)**.

Assessment(s) – This is a term frequently used to indicate the value or tax placed on the **roll**.

Assessment Appeals – A mechanism for taxpayers to have their assessed **valuation** reviewed through a formal hearing process by the **Assessed Appeals Board (AAB)**.

Assessment Appeals Board (AAB) – The County Board of Supervisors may, by ordinance, create assessment appeals board(s) to equalize the value of taxable property within the county. This **County Board of Equalization** meets to determine if the property of a taxpayer appearing before the Board has been correctly valued at **market value**. Also called the **Local Board of Equalization**. The Board of Supervisors may sit as the AAB or may nominate from 3-5 persons for appointment to the Board by the superior court presiding judge of the county and delegate these duties. (§1620, et seq.)

Assessment District Bonds – Bonds sold that provide funding for specific improvement to the parcels within the assessment district.

Assessment Roll – See **Roll**.

Assessment Year – The **fiscal year** immediately following the January 1st **lien date**. (i.e. the January 1, 2000 lien date has an assessment year of July 1, 2000 through June 30, 2001). It is important to note that for supplementals the assessment year is January 1 through December 31 (R&T Code §75.11).

Auditor – The officer, officer's staff, and/or office described in Government Code §24000(e) and §26900 et seq.

Auditor-Controller – See **Auditor**.

Auditor's Ratio – The ratio of property taxes allocated to the county general fund to all revenues received by the county for general purposes in the **fiscal year** of which the ratio is to be determined.

Auditor's Roll – See **Current Roll**.

Average Daily Attendance (ADA) – The student count compiled by the California Department of Education to determine, among other things, the amount each school requires to educate each of its students. When doing supplemental apportionment, the ADA is used to calculate supplemental revenue to that county's schools.

Base Property Tax Revenues – The property tax revenues amount to be transferred to the newly created city.

Base Revenue – Beginning in 1979-80, and each year thereafter, a *jurisdiction* is allocated the amount it received in the prior year, including the prior year's growth allocation, adjusted by any base exchanges from *jurisdictional change* actions.

Base Year Value – 1) RDA: The total valuation of all taxable property within the *RDA* project boundaries as shown on the last *equalized roll* in effect prior to the adoption of the ordinance establishing the project area. Base year values are also commonly referred to as “frozen base year”. **2) Assessor:** The *fair market value* of property determined for (a) the 1975 *lien date*, (b) the date on which a purchase or *change of ownership* occurs, or (c) the date on which new construction is completed, and if uncompleted, on the lien date. (See R&T Code §50, §51, §75.8, §110 and §110.1)

Basic Aid Schools – California school districts that received the minimum annual State-required revenue. The minimum amount is either \$2,400 per school district or \$120 per *ADA* whichever was greater.

Blight – The condition that prevents the proper utilization of the area to such an extent that it constitutes a serious physical and economic burden on the community.

Block Grant – A grant, defining a set of purposes for funding received from another government source.

Blue Line – Former name for the *Tax Rate Area Code Chart* received from the State *Board of Equalization (BOE)*.

Board of Equalization (BOE) – A branch of California state government created in 1879 with the responsibility of ensuring that county property tax *assessment* practices are equal and uniform throughout the state. The BOE also administers state revenue programs, assesses the property of regulated railroads and specified utilities, and acts as the appellate body for the franchise and income tax appeals. Their website is www.boe.ca.gov.

Board Roll – Is that part of the *secured roll* containing *state-assessed property*.

Bradley-Burns Uniform Local Sales and Use Tax Law – If a county adopts a specified ordinance, this law authorizes that county to impose a local sales and use tax at a rate of 1.25%, and similarly authorizes a city, located within a county imposing such a *tax rate*, to impose a local sales tax rate of up to 1% which is credited against the county rate. Until the Economic Recovery Bonds are repaid, these tax rates are 1% and 0.75%, respectively. Also see the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Calculation of Available Revenues – Amount calculated at the *fiscal year* end to determine the *RDA*'s revenue and resources available and is deducted from the total indebtedness to determine the net amount needed for a RDA to meet all of its future indebtedness obligations.

California Consumer Price Index (CCPI) – The percentage calculated by the California Department of Finance as a population-weighted average of the *Bureau of Labor Statistics* – *published Los Angeles CPI and San Francisco CPI*. The California CPI formula was developed by the California Department of Industrial Relations. It is transmitted to the County Assessor to implement the annual inflation factor (not to exceed 2%) per R&T Code §51. Also known colloquially as the Consumer Price Index (CPI).

California Land Conservation Act (Williamson Act) – Act passed in 1965 by the State Legislature to preserve agricultural and open space lands, codified as GC §16140 et seq. Act requires the landowner to sign contracts agreeing to keep land as open space or farm land. In return, the *assessed value* of the restricted parcel is based on the income the land would generate, instead of its *market value*, thus making the property taxes lower. See OPEN SPACE SUBVENTION chapter.

Certificate of Bonding Capacity – A certified form providing the total bonds that can be sold for a school district.

Certificate of Completion – The document prepared by the LAFCO Executive Officer and recorded with the county recorder confirming the city incorporation.

Certificate of Filing – The document is issued by the Executive Office of LAFCO when an application is deemed completed. The document includes the date upon which the proposal shall be heard by the Commission.

Certificate of Termination – The document prepared by LAFCO's Executive Officer and recorded with the county recorder confirming the termination of the incorporation process.

Certified Roll – A term commonly used for the *assessment roll* that is filed with an affidavit (certification) of accuracy by the Assessor pursuant to R&T Code §616 and turned over to the Auditor on July 1st. Also known as the **601 roll**.

Change of Ownership – A change of ownership occurs when there is a transfer of a present interest in *real property*, including the beneficial use thereof, the value of which is substantially equal to the value of the fee interest. (R&T Code §60 et. seq.)

Community Facilities District (CFD) – A taxing *district* formed under the *Mello-Roos Community Facilities Act*.

Comprehensive Financial Analysis (CFA) – An analysis of the projected revenues and expenditures for the proposed incorporation.

Consolidate – The uniting or joining of two or more cities or districts located in the same county, into a single, successor city or district. Property tax revenues from the previous entities are usually transferred to the successor city or district. See also **TRA Consolidation**.

Construction Fund – Also called an improvement fund where proceeds from the sale of bonds are deposited and used to pay costs of construction and other expenses.

Cortese-Knox Act – The 1985 Act that established the **Local Agency Formation Commission (LAFCO)** in each county. Provisions added by legislation, primarily AB2838 (Chapter 761, Statutes of 2000), resulted in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000.

Coterminous – Having the same boundaries.

County Auditor – See **Auditor**.

County Board of Equalization – See **Assessment Appeals Board (AAB)**.

County Counsel – Legal advisor of the County Board of Supervisors. This may be the district attorney in some counties.

County of Control – A county that has complete jurisdiction over all areas within its specified geographical boundaries as designated by the State **Board of Equalization (BOE)** (also referred to as **Principal County**) see Government Code §56066. Also, the county in which the greatest area of a district/jurisdiction is situated (Education Code §1253(a)).

County Service Area (CSA) – A County Service Area is a “quasi dependent district or assessment” formed for the purpose of funding the municipal services that were not financed by the ad valorem property taxes as allowable under County Service Area Law Government Code §25210 et seq. These may be reflected on the State **Board of Equalization** Code Chart.

Countywide Adjustment Amount – An amount estimated by the State Director of Finance, based on sales tax revenues in a county in a prior fiscal year, to reimburse cities and counties for the revenue losses resulting from the suspension of their Bradley-Burns Law tax rate authority. The countywide adjustment amount: estimated by the Director of Finance shall be based upon the actual amount of local sales and use tax revenues transmitted to a county or a city in the prior fiscal year and any projected growth on this amount for the current fiscal year.

Cross Secured – Any **unsecured** property value that is assessed under a **secured parcel** and owned by the same taxpayer.

Current Roll – The **roll** containing the property on which current taxes are a **lien**. Also known as the **Auditor’s Roll**.

Date of Apportionment – The earliest of three possible times to be used for **Public Acquisition** processing pursuant to R&T Code §5082 & §5082.1.

Date of Event – The date an occurrence of **change of ownership** or **new construction** is completed. Also referred to as event date.

Debt Service – Amounts required for payment of the principal, interest and other charges approved according to law.

Debt Service Factors – The **allocation factors** established by R&T Code §96 to **apportion debt service** collected/levied. Each **debt service fund** will receive a share of the debt service in the same proportion as each **debt service tax rate** is to the total tax rate levied within the **TRA**. Also, see the **RDA** section of the manual for the effects of RDA on calculation of debt service factors and **apportionment** of debt service tax.

Debt Service Funds – An accounting mechanism established to bill, track, distribute and account for the taxes levied to pay bonded indebtedness.

Debt Service Tax Rates – Rates levied to provide agencies with the necessary revenue to pay annual principal, interest and other charges.

Decrement – A negative **annual tax increment (ATI)** or **RDA tax increment**.

Deemed Allocated – **Equalized roll AB8** taxes before any roll corrections, adjustments, escapes etc.

Defaulted Taxes – Delinquent **secured** property taxes that become subject to **redemption penalties** and fees as of July 1st. Five years after becoming **tax defaulted**, a property by operation of law, becomes subject to the tax collector's power to sell.

Deficit Sale – Results when the **minimum price** is reduced and the resulting sale proceeds are less than the total amount necessary to redeem the property plus tax sale costs. (R&T Code §3698.5.)

Delinquent Roll – Tax **roll** prepared by the tax collector on **real property** that has ANY unpaid taxes as of 5:00 PM on June 30 each **fiscal year**. This roll may be in numerical or alphabetical order and must show all information on the **secured** roll relating to property with delinquent taxes (R&T Code §2624). Also known as the **redemption roll**.

Designated Parcels – Specific **parcels** for areas within a **redevelopment project** area where the **Redevelopment Agency (RDA)** has negotiated particular allocation terms for the **tax increment** revenue generated from these parcel areas.

Detachment – The de-**annexation** or removal of territory from a **jurisdiction's** boundaries.

Direct Charges – **Special taxes**, **special assessments**, or other non-ad valorem items of a specific dollar amount that are added to the tax bill. These charges are in addition to the **ad valorem tax** and unrelated to the **assessed value** of a property and are added on a per **parcel** basis. Sometimes referred to as **fixed charges**.

Dissolution – The termination of a **taxing jurisdiction**.

District or Special District – An agency of the state, formed pursuant to statutory provisions, for the local performance of governmental or proprietary functions within limited boundaries.

District Master File – The master file within each county that identifies, for each **tax rate area**, the funds, agencies, **allocation factors** and tax amounts to be used in the calculation of the **AB8 allocation**.

Easement – The right to use the **real property** of another for a specific purpose. The easement is itself a real property interest, but legal title to the underlying land is retained by the original owner for all other purposes. Typical easements are for access to another property, (redundantly often stated "access and egress," since entry and exit are over the same path), for utility or sewer lines both under and above ground, use of spring water, entry to make repairs on a fence or slide area, drive cattle across, and other uses. Easements can be created by a deed to be recorded just like any real property interest.

Educational Revenue Augmentation Fund (ERAF) – The fund established for the deposit of moneys deducted and transferred from counties, cities and **special districts** (R&T Code §97.2). ERAF is commonly referred to as the property **tax shift**. See ERAF I and II, and ERAF III.

Educational Revenue Augmentation Fund I and II (ERAF I & II) – The 1992-93 and 1993-94 tax shifts as legislated by SB1135, SB837, AB1519, AB557, and AB2371 in the 1993 Legislative Session.

Educational Revenue Augmentation Fund III (ERAF III) – The 2004-05 and 2005-06 tax shifts as legislated by SB1096 and AB2115 in the 2004 Legislative Session. See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Eminent Domain – The inherent right of government and certain specified quasi-public bodies, such as public utilities, to forcibly take private property for a public use or benefit upon the payment of just compensation.

Enterprise Special District – those districts whose operations are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing bases be financed or recovered primarily through user charges.

For the purposes of ERAF III: A special **district** that performs, as reported in the 2001-02 edition of the State Controller's Special Districts Annual Report, an enterprise function. For ERAF III purposes, the law excludes a fire protection district that was formed under the Shade Tree Law of 1909 set forth in Article 2 (commencing with §25620) of the Government Code, a local health care district described in Division 23 (commencing with §32000) of the Health and Safety Code, or a qualified special district as defined in §97.34 of the Revenue and Taxation Code. See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Environmental Impact Report – A comprehensive report of social and economic indicators, municipal services, and public resources in compliance with California Environmental Quality Act.

Equalized Assessed Valuations – The **local roll** values as delivered to the auditor, including any changes made during the month of July, together with the final **board roll** values, shall become the last equalized assessed values on August 20 (R&T Code §2052).

Equalized (Assessment) Roll – The combination, of three components by August 20th. The three components are 1) the **local rolls (secured and unsecured)** certified by the assessor, 2) the current **board roll**, and 3) the County **AAB**'s roll corrections made of the current local roll in the month of July (R&T Code §§1614, 1646.1, 2052, 2055, and 2152). The County AAB's roll changes are not the same as the non-AAB roll corrections from the Assessor.

Escape(d) Assessments – Value that was omitted from the original billing and is now being added to the **current rolls**. (R&T Code §531.2)

Escape Installment Plan – See 4-Year Pay Plan.

Escheat – The transfer of property to the State. This definition does not include property transferred to the County General Fund.

Event Owner – The assessee, as determined by the Assessor, who triggered a supplemental assessment to occur. The event owner would typically be the current owner who completed new construction or a new owner due to a change in ownership.

Executive Officer Report – LAFCO's Executive Officer's final report on the incorporation application with recommendations to approve or disapprove the information.

Excess ERAF – The remaining balance in ERAF, after distribution to the non-basic aid K-12 and community college districts, but before distribution to VLF Swap, that exceeds the total required funding level of non-basic aid K-12 and community college districts as set by the state pursuant to R&T Code §97.2(d)(4)(B). Funds from the ERAF are allocated to K-12 schools districts and community colleges up to the point they would become basic aid districts, any surplus should first be used for countywide special education programs and then distributed to the contributing entities.

Excess Proceeds – Any monies deposited in the delinquent tax sale trust fund remaining after satisfaction of the amounts required for the tax sale (see R&T Code §§4672-4673.1 for full listing). May be claimed by parties of interest within one year following the recordation of the tax deed to the purchaser. (R&T Code §§4674 and 4675.)

Exemption – A reduction in the taxable **valuation** of property as allowed by appropriate statutes.

Fee Simple Ownership – The law recognizes this form of estate (ownership) in real estate as the highest form. The property owner is entitled to full enjoyment of the property, limited only by zoning laws, deed or subdivision restrictions or covenants. The duration of this ownership is not limited and can be passed along in a will to the owner's heirs.

Fiscal Adjustment Period – The period beginning with the 2004-05 fiscal year and continuing through the *fiscal year* in which the Director of Finance notifies the **State Board of Equalization** that the Economic Recovery Bonds have been paid or retired. The sales tax “Triple Flip” (0.25% sales tax reduction) will discontinue at the end of the “fiscal adjustment period”. See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Fiscal Year – The accounting year, usually beginning July 1 and ending June 30.

(Fixed) Direct Charges – See *Direct Charges*.

Formation – The creation of a new *jurisdiction*.

Full Cash Value – See *Market Value*.

Gann Limits – Refers to annual *appropriations limit* established in accordance Article XIII B of the California Constitution. Paul Gann, president of California Taxpayers Association, was instrumental in placing the amendment on the November 1978 ballot. Also, known as *Proposition 4*.

General Obligation Bonds – Voter approved bonds where an *ad valorem tax* rate is levied against the value of the property.

Gross Taxable Value – The *valuation* of property after all local *exemptions*, other than *homeowner’s exemption*, have been applied.

Homeowner’s Exemption (HOX) – State *exemption* granted to a property owner who files for the exemption with the assessor and is using the property as the principal place of residence on the *lien date*.

Homeowner’s Property Tax Relief (HOPTR) Claim – The County Auditor claim to the State Controller for reimbursement made on behalf of *local agencies* for the tax revenue lost due to *homeowner’s exemptions*. Also referred to as the “Homeowner’s Exemption Claim”.

Improvements – All buildings, structures, fixtures and fences erected on or affixed to the land. All fruit, nut bearing, or ornamental trees and vines, not of natural growth and not exempt from taxation, except date palms under eight years of age.

Incorporations – The *formation* of a city. (Any proposed city incorporation must have at least 500 registered voters residing within the affected area at the time commission proceedings are initiated.) Property tax transfer is determined pursuant to a formula based upon historic services costs, etc. as outlined by Govt. Code §56842.

Incorrect Entries – Any erroneous information put on the property tax *rolls*. R&T Code §4830 or 4831.5.

In-Lieu – A fee imposed to compensate for the loss of tax revenues normally derived from a certain property acquired by a government entity.

In-Lieu Local Sales and Use Tax Revenue – The title of the revenue account in which any revenue transferred from the Sales and Use Tax Compensation Fund, to a county, city, or city and county, would be deposited in those entities. See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Interest and Sinking Fund – A fund used to deposit revenues and issue payments associated with a particular bond (commonly called Debt Service Fund)

Insufficient ERAF – Occurs when a county is unable to complete the VLF Swap due to a shortfall in available funds from the ERAF and/or from a re-direction of non-**Basic Aid Schools (K-12** and community college districts) property tax revenue allocations.

Joint Powers Authority (JPA) – An entity whereby two or more public authorities (e.g. local governments, or utility or transport districts), not necessarily located in the same area, may jointly exercise any power common to all of them (Government Code 6502). A joint powers authority is distinct from the member authorities; they have separate operating boards of directors. These boards can be given any of the powers inherent in all of the participating agencies.

Judicial Foreclosure – The foreclosure of a property due to unpaid **1915 Act Bonds** or **Mello-Roos District** Bonds.

Jurisdiction – A **local agency**, school district, community college district, or county superintendent of schools.

Jurisdictional Change – A change in the services provided by, or the geographic boundaries of, a **taxing agency**, which includes, but are not limited to, **annexations, detachments, reorganizations, dissolutions, formations, or incorporations** (R&T Code §95 & §99).

Levy – The imposition or collection of an **assessment** by the governing body (R&T Code §2151). This is also the amount of **ad-valorem** taxes and/or **direct charges** that the Auditor charges the Tax Collector to collect (R&T Code §2603–2604).

Lien – Includes any charge of any nature whatsoever, authorized by law, to be levied against property by any **taxing agency** or **revenue district**.

Lien Date – The time when taxes for any **fiscal year** become a **lien** on property. January 1st is the assessor's lien date for preparing the **roll**.

Local Agency – A county, city, town, school district, municipal corporation, **district**, political subdivision, or any board, commission or agency or other local public agency. For the purpose of property tax revenue allocation, the definition is a city, county, and special district (R&T Code §95(a)).

Local Agency Formation Commission (LAFCO) – The commission established in 1985 by the **Cortese-Knox Act** with the power to review and approve or disapprove, with or without amendment, proposed **annexations, reorganizations, and incorporations**.

Local Board of Equalization – See **Assessment Appeals Board (AAB)**.

Local roll – Those parts of the **secured** and **unsecured** roll containing property that is the county assessor's duty to assess.

Look-Alike TRAs – Two or more **tax rate areas** that have the identical combination of taxing districts within their boundaries. A look-alike is determined entirely on the district composition and does not take into account any **allocation factors**.

Mandated Cost Reimbursement Claims – A claim against the State for any increased costs that a **local agency** is required to incur, after July 1, 1980, as a result of any statute enacted on or after January 1, 1975, mandating a new program of higher level of service for an existing program. Enacted by **Senate Bill 90**.

Market Value – The **full cash value**; the amount of cash or its equivalent which property would bring if exposed for sale in the open market.

Master Agreement – A pre-approved property tax transfer agreement of two or more **taxing jurisdictions** stipulating a standard exchange of taxes for specified types of **jurisdictional changes**, which eliminates the need for individual negotiations.

Mello-Roos Community Facilities Act of 1982 – An alternative method of financing public capital facilities and services.

Mello-Roos District – A **community facilities district (CFD)** created under the **Mello-Roos Community Facilities Act of 1982**, which provided an alternative method for financing a broad range of capital facilities and authorized services to public agencies. The CFD levies a direct charge per **parcel** approved by 2/3 of the voters in the CFD to fund bonds incurred for the development of infrastructure.

Mills Act – Act passed in 1972 to provide incentives for the preservation of certain historic buildings. This act requires the landowner to sign contracts agreeing to preserve certain buildings in certain manners. In return, the **assessed value** of the historic property is based on the income the property would generate, instead of its **market value**, thus making the property taxes lower. There is no State subvention for this exemption.

Minimum Price – The lowest opening bid price at which a property may be offered for **secured** tax sale. It shall be no less than the amount necessary to redeem, plus costs. Only in certain circumstances may the minimum price be reduced to an amount less than the total amount necessary to redeem the property plus tax sales costs. (R&T Code §3698.5.)

Mobile Home Accessories – The value attributed to buildings or structure additions to mobile homes purchased prior to January 1, 1977 with a **base year value** or **full cash value** of five thousand dollars (\$5,000) or less.

Mobile Home – A large trailer, fitted with parts for connection to utilities, that can be installed on a relatively permanent site and that is used as a residence. Also called a manufactured home.

Multi-County School District – See **Multicounty District**.

Multicounty Districts – A **district** domiciled in one county whose boundaries extend into one or more counties (R&T Code §75.70(d)(1)).

Negative Assessment – Results in a supplemental refund. The situation most commonly occurs due to a new owner. However the situation may occur for a current owner who had a “deconstruction” of some type (e.g. tore down a building whether or not they plan to rebuild). When a supplemental **valuation** is less than the original value, a negative assessment results. The new owner receives the difference between the current value and the supplemental value as a negative assessment.

Negotiated Agreements – Board approved contracts or resolutions that specify the amount of property tax revenues to be transferred between or among taxing entities that are affected by a **jurisdictional change**.

Negative ERAF – Occurs when a county is unable to complete the VLF swap due to a shortfall in available funds from the ERAF, and it must re-direct property tax revenue allocations from non-basic aid K-12 and community college districts to supplement the ERAF and pay for the VLF swap.

Net Taxable Value – **Assessed value** after all **exemptions** are applied.

New Base Year Valuations – The valuations assigned to property after it has been reassessed due to a **change of ownership** or completion of **new construction** and is the base on which the inflation factor is added each year.

New Construction or Newly Constructed – Any addition to **real property**, whether land or **improvements** (including fixtures), since the last **lien date**. Any alteration of land or any improvement (including fixtures) since last lien date which constitutes a major rehabilitation thereof or which converts the property to a different use (R&T Code §70(1)(2)).

Non-Enterprise Special District – A governmental entity whose activities are not financed and operated in a manner similar to private business enterprise (where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges).

For the purposes of ERAF III: A special **district** that engages solely, as reported in the 2001-02 State Controller's Special Districts Annual Report, in non-enterprise functions, and a qualified special district as defined in Revenue and Taxation Code §97.34. See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Nonoperating Nonunitary – Properties that DO NOT operate as a **unit** and ARE NOT part of the primary function of the assessee.

Not-For-Profit Organization – A private organization on file with the State Secretary. Usually has Not-For-Profit status from the Federal Government under IRS Code §501(c)(3). Not to be confused with a **public entity**.

Operating Nonunitary – A group of properties that operate as a **unit**, but ARE NOT a part of the primary function of the assessee.

Order of Priority – The priority held by a **party of interest** claimant to **excess proceeds** as established by R&T Code §4675.

Owner – See **Assessee**.

Ownership – See **Assessee**.

Parcel – A cadastral (relating to land) **unit** of land division, the boundaries of which are determined by a registered civil engineer or licensed land surveyor (as required in Govt. Code §66445) and used as a basis of property taxation.

Parcel Number (APN) – A unique identifier assigned by the assessor to each **parcel** of land within their county.

Party of Interest – A claimant that is eligible for **excess proceeds** from a **tax sale** pursuant to R&T Code §4675.

Pass-Through – Incremental tax revenue returned to **taxing jurisdictions** affected by a **RDA** based upon either a **negotiated agreement** (prior to 1-1-94) or based upon statutory mandate (R&T Code §33607.5).

Permanent Installment Plan – The election by any person to pay delinquent taxes in installments pursuant to Revenue and Taxation Code §4216 et seq. Administration of these plans is under the jurisdiction of the Tax Collector. Also referred to as 5 Year Pay Plan and Redemption Installment Pay Plan.

Personal Property – Includes all property except real estate (R&T Code §106).

Possessory Interest – Possession of, claim to, or right to the possession of land or **improvements** that is independent (has some control), durable (for a determinable period), and exclusive (enjoyment of a beneficial use) of rights held by others in the property, except when ownership of land and **improvements** is the same person (R&T Code §107).

Presumed Date – The first day of the month following the actual **date of event**.

Prima Facie – Based on first appearance without investigation.

Principal County – See **County of Control**

Proceeds of Taxes – The Guidelines generally define proceeds of taxes as including, but not limited to, “all tax revenues and the proceeds to an entity of government, from (1) regulatory licenses, user charges, and user fees to the extent that such proceeds exceed the costs reasonably borne by such entity in providing the regulation, product or service, and (2) the investment of tax revenues. For a more complete definition, you should refer to the guidelines.

Project Area – See **Redevelopment Project Area**.

Property Assessed Clean Energy (PACE) Bond – A voluntary contractual assessment (via a 1915 Act Bond) or a voluntary special tax (via a Mello-Roos District bond) on property to finance the installation of distributed generation renewable energy sources, electric vehicle charging infrastructure, or energy or water efficiency improvements.

Property Tax Administration Fee (PTAX) – During the 1990-91 State Budget deliberations, the legislature enacted Senate Bill 2557 (Chapter 6, Article 3). This bill contained the authorization to increase revenue to counties by a portion of the total property tax administrative costs attributable to local **jurisdictions** excluding school entities. (R&T Code §95.3)

Property Tax In-Lieu of Vehicle License Fee (VLF) – A property tax revenue account created by each County to record the allocation of revenues from the VLF Compensation Fund to the County and Cities. See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special **Districts**, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Proposition 111 – Proposition 111 requires an annual review of the limit calculations required by the Gann Initiative or **Proposition 4**.

Proposition 13 – Refers to annual tax limits per Article XIII A of the California Constitution. The term normally is describing the maximum amount of any **ad valorem tax** on **real property**, which is one percent 1%.

Proposition 218 – Requires a vote of the affected taxpayers to implement a new or increase an existing **assessment** on **real property** for a project or service.

Proposition 4 – Refers to annual appropriation limits per Article XIII B of the California Constitution. See also, **Gann Limits**.

Proposition 8 – Allows a temporary reduction to a **parcel's assessed value** when market prices decline (R&T Code §51).

Public Acquisition – Property acquired by a Federal, State, County, city, school district, or other public entity that becomes exempt from taxation under the law. See R&T Code §5081 et seq.

Public Auction – The most common method of **tax sale**. Sale of property to the highest bidder in an open forum.

Public Entity – A political subdivision of the state including schools, counties, cities and ***special districts***.

Public Record – A document or recorded transaction that must be available to the public.

Qualified Special Tax – A particular type of special tax that is voter-approved and available only to K-12 school districts pursuant to Government Code §50079 et seq. It distinguished from Voter Approved Special Taxes (pursuant to Government Code §50075 et seq.) primarily by containing a provision to allow for exemption of property owners who are 65 or older or persons receiving Supplemental Security Income for a disability regardless of age.

RDA Tax Increment – The difference between the current year value and the frozen RDA ***base year value*** multiplied by the applicable ***tax rate***.

Real Property – Includes the possession of, claim to, ownership of, or right to the possession of land, all mines, minerals and quarries in the land and ***improvements***.

Reconciliation Statement – A report detailing information on each loan, advance, or indebtedness listed in the previous year's ***Statement of Indebtedness (SOI)*** and the status and activity of those items.

Redemption – The process of paying the specified sum required to satisfy all delinquent taxes, penalties and related fees and charges.

Redemption Amount – The total amount required to redeem ***tax defaulted property*** (R&T Code §3698.5).

Redemption Fee – The mandated fee that is charged against each ***parcel*** that becomes ***tax defaulted*** (R&T Code §4656.5 & §4102(d)).

Redemption Fund – A fund used for all debt payments and to deposit collections of principal and interest from the tax roll for a debt issue.

Redemption Pay Plan – See ***Permanent Installment Plan***.

Redemption Roll – All ***secured*** & secured ***supplemental*** taxes defaulted as of June 30 of each ***fiscal year***. Also known as the ***delinquent roll***.

Redevelopment Agency (RDA) – A legislative mechanism that allows a community (via counties and cities) to revitalize deteriorating and ***blighted*** areas using a portion of the general property taxes derived from the affected area. Sometimes referred to as Community Redevelopment Agency (CRA). (See H&S Code §33670 et al.)

Redevelopment Agency Tax Increment (RDATI) – The calculation of the difference between the current year ***valuation*** and the ***base year valuation*** multiplied by the applicable ***tax rate*** in each ***tax rate area***.

Redevelopment Project Area – The area within the geographic boundaries for which a redevelopment plan has been adopted and identified by **TRAs** assigned by the **State Board of Equalization**. A **Redevelopment Agency** may have one or more **project areas**.

Refunding Bonds – Bonds issued to pay all or a portion of principal early in order to save interest cost or to restructure debt.

Reorganization – A combination of two or more changes in services or **districts** provided to a property in a single **jurisdictional change**. In most cases, one or more districts will be detached and one or more other districts will be annexed.

Reserve Fund – A fund included in a bond issue and available for delinquency or early retirement of bonds.

Revenue District – Includes all cities and **districts** for which the county assesses property and collects taxes or **assessments** on their behalf (R&T 122). Currently this would be all cities and districts that receive **ad valorem taxes** as only the State and counties are currently authorized to assess (value) property for taxation. It does not include those districts that levy and collect their own non-ad valorem assessments (e.g., irrigation districts). See **Taxing Agency & District**.

Revenue Neutrality – A concept used to ensure that the incorporation results in an equitable exchange of both revenue and responsibility for service delivery among the county, the proposed city.

Reverse Apportionment – An adjustment to the **Teeter apportionment** for corrections, cancellations and refunds from the current and prior year tax **rolls**.

Roll – The entire **assessment** roll.

Roll Being Prepared – The **roll** in which the values are already set based on the January 1st **lien date**, but not yet **equalized** or extended.

Roll Correction – A change to the property tax rolls to correct errors by the **jurisdiction, State Board of Equalization**, assessor, assessee, auditor-controller and/or tax collector.

Roll Maintenance – Changes to the property tax **rolls** (other than corrections) include: **Assessment Appeals Board (AAB)** decisions, court ordered changes, tax change orders, cancellations orders, bond payoffs, **parcel segregations** or combinations, and addition of penalties, costs and interest charges to the tax amount due.

SB2557 – Chapter 455 of the Statutes of 1990 as codified in Section 95.2 of the Revenue and Taxation Code authorizes recovery from local **jurisdictions** for their proportionate share of the “property tax administrative costs”.

SB813 – Senate Bill 813 is legislation passed in September 1983 that instituted **supplemental property taxes**. This legislation allowed for reassessment and property tax billing upon **change in ownership** and completion of **new construction** at any time during the year. Reassessments were no longer limited to the annual **lien date**.

SB90 – Senate Bill 90 (Chapter 1406, Statutes of 1972) allows claims to be filed with the State Controller's Office to reimburse local agencies and school districts for the costs of new programs and increased levels of services mandated by state government. (See ***Mandated Costs Reimbursement Claims.***)

Sale by Agreement – A method of **tax sale** available to public entities or not for profit organizations. Sometimes referred to as a Chapter 8 sale. (R&T Code §3791 et seq.)

Sales and Use Tax Compensation Fund (SUTCF) – A fund established by each county used to deposit property taxes that previously were deposited to the **ERAF**. Existing law requires the county auditor to allocate ***in-lieu local sales and use tax revenues*** from the Sales and Use Tax Compensation Fund to cities and counties to reimburse these entities for revenue losses resulting from the suspension of the Bradley-Burns Law tax rate. See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Sales Tax Triple Flip (Triple Flip) – A funding mechanism for the State Economic Recovery Bonds approved by the Voters on March 2, 2004. The Bond payment was secured by $\frac{1}{4}$ cent sales tax revenues (Flip I). The State received new tax revenue from local agencies by reducing the local Bradley Burns tax by $\frac{1}{4}$ cent and imposed a new dedicated state sales tax of $\frac{1}{4}$ cent that is pledged to the bond payments (Flip II). Cities and counties are made whole from the **ERAF** in the same amount as the lost sales tax to Flip II (Flip III). See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual. Trip Flip was active for fiscal years 2004/05 through 2015/16 when the State Economic Recovery Bonds were repaid, with a final trueup to the counties in 2016/17.

Schools Facilities Improvement District (SFID) – These are formed by school districts for the purpose of issuing ***general obligations bonds*** to fund school ***improvements***.

Sealed Bid Sale – A method of **tax sale** for property that is unusable due to size, location or other conditions, which may be offered at minimum bid to owners of contiguous ***parcels***. A condition of sale shall include the requirement to combine the property with the successful bidder's parcel. Also used as a means for selling oil, gas, and mineral rights, by offering those rights to the owner of the land or timeshare weeks to other timeshare owners who wish to own an additional week. (R&T Code §3692.)

Section 11 Property – AKA “**Taxable Government-Owned Property**”. Per the Assessor’s Handbook, under certain circumstances, land and improvements that are owned by local governments but are located outside their boundaries are taxable. Article XIII, Section 11 of the California Constitution generally provides that lands, water rights, and any other interests in lands owned by a local government that are outside its boundaries are taxable if they were taxable when acquired by the local government. Section 11 also provides that improvements owned by a local government are taxable if they were taxable when acquired or were constructed by the public owner to replace improvements that were taxable when acquired. Whether land or improvements, these taxable government-owned properties are generally referred to as “Section 11” properties and are subject to a special valuation procedures prescribed by Section 11.

Secured – The secured **roll** is that part of the roll containing **state assessed property** and property the taxes of which are **liens** on **real property**, in the opinion of the assessor, to secure payment of the tax.

Secured (Property Tax) Roll – Contains **State assessed property** and locally assessed property the taxes on which are adequately **secured** by a **lien** on the **real property**, in the opinion of the assessor (R&T Code §109).

Segregation – **1) District:** A primary level division of a **district** that is considered to be equivalent to a parent and can co-exist independent of the parent. A **tax rate area** may not contain both the segregation and the parent district. **2) Parcel:** The division of an existing **parcel** into two or more parcels. **3) Assessment:** The separate **assessment** and billing of taxes on a specific parcel on the tax **rolls**.

Situs – The physical location of a property or **parcel**; the address.

Special Assessment – A specific type of **direct charge** that is in addition to the **ad valorem tax**. They may include bonds such as **1915 Act Bonds**.

Special District – See **District**.

Special District Augmentation Fund (SDAF) – (Repealed in 1993-94.) In 1978 the Legislature established this fund in order to provide a locally administered program of financial assistance to **special districts**. For the 1978-79 **fiscal year**, the legislature appropriated \$192 million to assist special districts in meeting their service needs following the loss of property tax due to **Proposition 13**. These funds were allocated by the county board of supervisors for districts within each county and by the city council for subsidiary districts.

Special Tax Formula – The calculation used to determine the charge to be applied to each parcel within a **Community Facilities District (CFD)** or **Schools Facilities Improvement District (SFID)**.

Special Tax – A specific type of **direct charge** that is in addition to the **ad valorem tax**. Generally authorized by the registered voters. They may include bonds such as those issued under the **Mello-Roos Community Facilities Act of 1982**.

Sphere of Influence – A plan for the probable physical boundaries and service area of a **local agency**, as determined by **LAFCO**.

State Assessed Property – All property required to be assessed by the California State **Board of Equalization (BOE)** under Section 29 of Article XIII of the Constitution, which is subject to local taxation and may include property owned by or used by regulated railway, communications companies, car companies operating on railway in the state, and companies transmitting or selling gas or electricity.

State Board of Equalization – See **Board of Equalization (BOE)**.

State Board Roll – Those parts of the **secured roll** containing property that is the **State Board of Equalization's** duty to assess.

State Exemptions – The **Homeowner's Exemption** is currently the only State **exemption**.

Statement of Indebtedness (SOI) – A report detailing information in regard to each loan, advance, or indebtedness incurred or entered into by a **Redevelopment Agency (RDA)** required by H&S Code §33675 to be submitted to the Auditor-Controller on or before October 1.

Stipulation – A declaration of **assessed value** signed by the Assessor and the applicant (taxpayer) resulting from an **assessment appeal**.

String Code – Combining a series of data in a defined order to create a line of meaningless text. Used primarily for programmatic or spreadsheet comparisons.

Subvention – The financial support from the state government, usually to replace or make-up for lost revenues. For example, the State's reimbursement of the **homeowner's exemption** is considered a subvention.

Supplemental (Assessment) Roll – The supplemental assessment roll contains a listing of all property that has undergone a **change in ownership** or experienced **new construction**. The amount of each supplemental **assessment** is the difference between the property's new **base year value**, determined as of the date of change in ownership or completion of new construction, and the existing taxable value.

Supplemental Factors – The **apportionment factors** established in accordance with **SB813** (R&T Code §75 et seq.) to **apportion** the **supplemental property taxes 1% general tax** levied to appropriate **taxing jurisdictions**. Supplemental factors are calculated using **AB8 factors** adjusted for **ADA** for all K-12 schools, including **basic aid schools** and out-of-county **multi-county school districts**. **ERAF**, community colleges, and superintendent of schools are not adjusted by the ADA data). **Unitary** is not subject to supplemental taxation; therefore, no distribution is made on the **supplemental assessment roll** to the unitary taxing jurisdictions. Also, see the **Redevelopment Agency (RDA)** section of the manual for the effects of RDA on calculation of **supplemental factors** and apportionment of **supplemental tax**.

Supplemental (Property) Tax – The increase in the amount of tax based on a **change in ownership** or completion of **new construction**. The tax is calculated based on the difference between the old and new value and the **date of event**.

Swap of Motor Vehicle License Fees (VLF Swap) – the exchange of discretionary VLF revenues for property taxes “in lieu of VLF” for cities and counties as legislated in Senate Bill No. 1096, Chapter 211, Statutes of 2004 and Assembly Bill No. 2115, Chapter 610, Statutes of 2004. See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special **Districts**, and **Redevelopment Agencies** in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Tax Allocation Bonds – Bonds on which the principal and interest are payable in whole or in part from taxes allocated to, and paid into a special fund of, a **RDA** pursuant to the provisions of Article 6 (commencing with H&S Code §33670).

Tax Defaulted Property – Property upon which property taxes have not been paid by 5 PM on June 30 in the year for which the taxes are due.

Tax Equity Allocation (TEA) – In 1987 the first equity allocation legislation (R&T §97.35) required 17 counties to shift property tax revenue to 49 cities. The legislation intended to shift 10 percent of the taxes generated within the city boundaries to the cities over a ten-year period of time. In 1988 Assembly Bill 1197 amended R&T Codes §97, §97.5, §98 and §98.6 providing that qualifying cities receive 7 percent of the property tax revenues generated within their boundaries phased in over a seven-year period.

Tax Exchange – The transfer of taxes between one or more **districts**, the amount of which may be determined by a **negotiated** or **master agreement**.

Tax Increment – **1) Annual Tax Increment (ATI):** The difference of property tax revenue by multiplying the value of the change in taxable **assessed value** from the **equalized assessment roll** for the prior **fiscal year** to the equalized assessment roll for the current fiscal year by a tax rate of one (\$1) dollar per one hundred dollars (\$100) of **assessed value**, generally referred to as “growth”. See also **decrement**. (See R&T Code §96.5.) **2) RDA Tax Increment:** The difference between the current year value and the frozen RDA **base year value** multiplied by the applicable **tax rate**.

Tax Losses Reserve Fund (TLRF) – The fund required by R&T Code §4703 for the deposit of the penalties and interest collected on the **Teeter** method of property tax distribution.

Tax Rate – A factor levied per one hundred dollars of **assessed valuation**. The tax rate is used to determine the revenue of various **taxing jurisdictions** and **districts** within the specific **Tax Rate Area (TRA)**.

Tax Rate Area (TRA) – **1)** A geographical area comprised of a unique combination of **taxing jurisdictions** and **debt service funds**. **2)** An area over which a governmental body has authority to levy property taxes. There may be one or more **assessment districts** in the TRA.

Tax Rate Area Chart – The documentation maintained by the **State Board of Equalization (BOE)** that lists all the **tax rate areas** and corresponding **districts** for each county in numerical order and the special revenue districts associated with each **TRA**. (Formerly known as the **Blue Line**.)

Tax Resource Fund (TRF) – The fund used by **Teeter** counties to control the tax charge receivable, collections, and distributions. Also known as the **Apportioned Taxes Resource Fund**.

Tax Retention Rate – The portion of pre **ERAF** tax retained after the shift.

Tax Sale – Sale of **secured** property by the Tax Collector at **public auction**, **sealed bid sale**, or **sale by agreement** to satisfy **defaulted secured** taxes.

Tax Shift – The reallocation of taxes from counties, cities and **special districts** to school districts via the **Educational Revenue Augmentation Fund (ERAF)** as mandated by R&T Code §97.2.

Tax Structure – The master file within each county that identifies, for each **tax rate area**, the funds, agencies, **allocation factors** and tax amounts to be used in the calculation of the **AB8 allocation**.

Taxable Government-Owned Property – See **Section 11 Property**.

Taxing Agency – Per pre-**Proposition 13** statute, **taxing agencies** include the State, counties, cities and every **district** that assesses property for taxation purposes and also levies taxes or **assessments** on the assessed property (R&T Code §121). Even though only the State and counties are currently authorized to assess (value) property for taxation, taxing agencies today include the State, counties, cities and those districts that levy and collect their own non-**ad valorem** assessments (e.g., irrigation districts). See **Revenue District**.

Taxing Jurisdiction – An entity that has statutory authority to levy taxes or charge **direct charges**.

Taxpayer – A common term used to describe the owner of the property and the de facto payer of property taxes.

Teeter – The **alternative method of tax apportionment** for the distribution of tax revenue as established in R&T Code §4701 et seq. It is an accrual method, which recognizes a tax receivable (**ATRF**), establishes a **Tax Loss Reserve Fund (TLRF)**, and subsequently simplifies the tax **apportionment** process. Named for Desmond Teeter, the Contra Costa County Auditor who was the bill's main author.

Teeter Buyout – **1)** The original distribution to participating **jurisdictions** of the **redemption roll** taxes being converted to **Teeter**; **2)** The annual distribution of the difference between levy and collection of Teeter taxes.

Teeter Credit – A one-time benefit resulting from the first-year buyout of delinquent **secured** and/or **supplemental property taxes**. This benefit is based on the increase of revenues directly attributable to the adoption of the **alternate method of tax apportionment**. The benefit is equal to the difference of what school funds (excluding **basic aid**) and community colleges received under **Teeter** and what they would have received without the election of the alternate method.

Teeter Plan – Allows counties to allocate **secured** property taxes to **jurisdictions** at 100% of the billed amount rather than actual tax collections. The county collects all future delinquent tax payments, penalties and interest and distributes them to the appropriate funds.

Thompson Unification – A unique type of school district **unification** whereby one or more of the participating elementary school districts is not dissolved and continues to operate and receive revenues.

Timber Yield Tax – The tax paid **in-lieu** of **ad valorem** property tax and is based on cut timber (R&T Code §38103)

TRA Allocation Factors – The percentage of taxes to be allocated by each servicing/taxing entity within a **tax rate area**. Each **TRA** has a set of factors equaling one hundred percent (100%). **AB8** originally established these factors.

TRA Consolidation – The process of combining two or more **tax rate areas** which have the same unique combination of revenue **districts** into a single tax rate area.

Unapportioned Tax Fund (UTF) – The fund used by counties to control the tax charge receivables, collections, and distributions.

Undivided Interest – Interest or ownership by two or more persons in the same property, whether the interest of each is equal or unequal.

Unification – The merging of elementary and high school districts that have contiguous boundaries into a single unified district. The individual districts are dissolved when a unified district is created, except in the case of a **Thompson Unification**.

Unit – In the **Unitary** category, unit taxation is of property as a going concern, not as the taxation of real or **personal property**. **BOE** considers the earnings of the property as a whole. A public **utility** company cannot be regarded as merely land, buildings, and other assets. Rather, its value depends on the interrelation and operation of the entire utility as a unit.

Unitary – A group of properties that operate as a **unit** as part of the primary function of the assessee.

Unitary Debt Service Factors – The **allocation factors** established by R&T Code §100 to apportion **unitary debt service** collected/levied to debt service funds.

Unitary Factor – The percentage/factor developed in accordance with AB454 (R&T Code §100) for the **apportionment** of **Unitary** 1% tax.

Unitary Tax – Assembly Bill 454 (Chapter 1457, Statutes 1987) added R&T Code §100 providing for the identification and allocation of taxes attributable to **unitary** and **operating nonunitary** property assessed by the **State Board of Equalization**. See also the **Unitary Tax** (Chapter B-6).

Unsecured – The taxes on which are not a **lien** on **real property** sufficient, in the opinion of the assessor, to secure payment of the taxes (R&T Code §134).

Utility – A company whose real and **personal property** is assessed by the State **Board of Equalization (BOE)**.

Utility Roll – Either **real property** or **personal property** assessed by the State **Board of Equalization (BOE)**.

Valuation – The price at which a property, if exposed for sale in the open market, would transfer for cash or its equivalent under prevailing market conditions. See **Assessed Value or Valuation**.

Vehicle license fee description and adjustment amount – The Vehicle License Fee Adjustment Amount (VLF Adjustment), as defined in Revenue and Taxation Code §97.70(c)(1), is generally the replacement of the VLF backfill. This amount will be funded via a reduction to the **ERAF** amount available for allocation to all school districts, community college districts, and county office of education in accordance with Revenue and Taxation Code §97.70(a)(1)(A). See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

Vehicle License Fee Property Tax Compensation Fund (VLF Compensation Fund) – A fund established by each County used to deposit those property tax revenues equal to the VLF Adjustment amounts determined by the State Controller for the County, Cities, and County and City (San Francisco) per Revenue and Taxation Code §97.70(a)(2). See the Uniform Guidelines for the Implementation of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond in the Guidelines section of this manual.

VLF Swap – See **Swap of Motor Vehicle License Fees**.

Voluntary Contractual Assessment – Program that provides the legislative body of any public agency, via **1915 Act Bonds**, with the authority to finance the installation of distributed generation renewable energy sources and energy or water efficiency improvements that are permanently fixed to residential, commercial, industrial, agricultural, or other real property.

Weighted Average – The calculation performed when combining **tax rate areas** for purposes of **consolidation** or annexing **parcels** into an existing **TRA**. In order to derive the new TRA allocated percentage known as the weighted average, the total amount of property tax revenue to be allocated to all **jurisdictions** within the affected TRA(s) is divided into the aggregate property tax revenue total for each jurisdiction (R&T Code §95(g)).

Williamson Act – See **California Land Conservation Act (Williamson Act)**.

Yellow Sheet – The list maintained for most counties by the State **Board of Equalization** with specific actions or requirements that must be considered and/or included in any **LAFCO** resolution for that county.

Zone – A subset of a ***special district*** that is created to provide a specific service. These may be reflected on the State ***Board of Equalization*** Code Chart.

**Reference Items Section
Chapter F-3**

LEGISLATIVE PROCESS AND BILL TRACKING

INTRODUCTION

Each year, the State Legislature considers and eventually passes new laws, many of which affect the property tax administration process. The attached articles from the April 2000, Debt Line, published by the California Debt and Investment Advisory Commission, summarize the legislative process, and provide useful information on how to track bills as they proceed in the process.

MAIN TOPIC AND METHODOLOGY

See attached articles.

ACCOUNTING TREATMENT

N/A

RELATED TOPICS

None

STATES LAWMAKING PROCESS IS CLOSER THAN YOU MAY THINK

Editor's note: CDIAC regularly receives calls from constituents interested in identifying and tracking proposed legislation impacting municipal finance. Noting the importance of these requests, CDIAC provides the following article as a resource for the readers of Debt Line. The article takes a different perspective on the process and, hopefully contributes to the available supply of information.

To many observers the process of lawmaking in the State seems purposefully remote. But with the advent of new technologies, access to the Legislature is now just a mouse click away. That makes it easier for you to learn about legislation that affects you and your communities.

In keeping with CDIAC's educational mandate, this article provides a few tools to help you move from passivity to action. We have broken the discussion into three separate topics, starting with an overview of the legislative process. Old hands may choose to jump ahead to the list of legislative publications that composes the second topic or to the final section covering the steps involved in tracking a bill.

In the March edition of Debt Line, CDIAC published an article on the status of current municipal finance legislation. We hope that the tools provided below bring you closer to Sacramento and allow you to participate in the process that determines how those bills affect you or your communities. Our goal is to put you in the driver's seat, whether that be sitting in front of your computer at work or at home.

OVERVIEW OF THE LEGISLATIVE PROCESS

The process of government by which laws are created is commonly referred to as the Legislative Process. Two bodies of elected representatives, the Senate and the Assembly, carry out the process during a two-year session beginning in January of each odd-numbered year. The state Constitution provides for 40 Senators and 80 Assembly Members, forming two separate legislative houses.

Birth of a Bill. To describe the legislative process is to describe the journey from idea to law. The process begins when a Senator or Assembly Member sends an idea or concept, regardless of its origin, to the Legislative Counsel. The Legislative Counsel is responsible for translating the idea into a legislative bill. The draft of the bill is then returned to the Legislator, who introduces the bill in his or her respective house.

Introducing a Bill. Introducing a bill is a formal way of saying that the bill's number, the author's name and the descriptive title of the bill is read publicly before the full membership of the author's house. The rules of the Legislature require that each law be so read three separate times. The first reading is usually carried out by one of the clerks of the house. Following this, the clerk sends the bill to be printed by the Office of State Printing.

The Rule of Committees. A bill cannot be acted upon for 30 days following its first reading. During this time, it rests in the Rules Committee of the house. The Senate and Assembly are themselves divided up into committees, which act, in effect, as mini-legislatures. These committees

help the members to expedite the review and processing of bills, which each year number in the thousands.

Both the Assembly and the Senate are divided into standing, joint, sub- and select committees. Standing committees address recurring issues, such as appropriations, health, and education. Sub-committees, select committees and joint committees handle emerging topics or help to focus the resources of a standing committee on a specific subject.

The Rules Committees of each house determine both the scope of responsibilities and the assignment of bills to a committee. For example, all bills that require the expenditure of funds must be heard in the fiscal committees of both houses, in addition to one or more policy committees in each house.

Each Committee is composed of a specified number of Senators or Assembly Members. During committee hearings, the author presents the bill to the committee, which then allows testimony to be heard in support or opposition to the bill. The committee can vote to pass the bill, to pass it as amended or to defeat it. It takes a majority of committee member votes to pass a bill out of a committee.

Each house maintains a schedule of legislative committee hearings (see subsequent discussion under Daily File). Prior to hearing a bill, a bill analysis usually is prepared by committee staff. The analysis provides committee members background information on the topic of the bill, a summary of current law and how the bill would change that law and a list of those in favor or in opposition to the bill (see subsequent discussion under What Others Think).

Back to the Floor. Bills passed by committees are read a second time on the floor of the house of origin at a regular session of the respective house. A date then is set for a third reading. In the Assembly, bills amended after their second reading must be reprinted and returned to the second reading file. In the Senate, bills amended after the second reading are reprinted and moved to the third reading where it is eligible for passage the day after the adoption of the amendment.

At the third reading the bill is presented by its author and discussed by the members of the house. A bill that is amended in its third reading by the Assembly must be held for one day prior to a vote on final passage. A bill amended in the Senate during its third reading is returned to the second reading before it is returned to the third reading for final debate and passage.

At the conclusion of all discussion the members vote on the bill by electronic roll call. Bills that require an appropriation or that take effect immediately require a two-thirds vote, or 27 votes in the Senate and 54 votes in the Assembly, to pass. Others require a simple majority. If a bill is defeated, the author may ask for "reconsideration", that is, additional discussions on the bill, or he may ask for another vote or decide to amend the bill.

One More Time, With Feeling. Once a bill has been approved by the house of origin it is sent to the other house where the entire process repeats.

Concurrence. Bills that are amended in the second house must go back to the house of origin for what is called "concurrence". The process enables the two houses to reach agreement on the amendments. If an agreement cannot be reached, the bill is referred to a two-house conference committee to resolve the differences. The committee is composed of three members drawn from each house. If they succeed in striking a compromise, the bill is sent back to both houses for a concurrence vote.

Off to See the Governor. If both houses approve a bill it goes to the Governor. The Governor has three choices with any bill that reaches his desk. He may sign the bill into law, allow it to become law without his signature or veto it. In the case of a veto, the Legislature may decide to carry through its intentions by overriding the veto. Two-thirds of the members of both houses must vote in favor of an override in order for it to take effect.

California Law. Bills that are passed by the Legislature and approved by the Governor are assigned a chapter number by the Secretary of State. A chaptered bill becomes part of the California codes.

LEGISLATIVE PUBLICATIONS

The California Legislature maintains the most complete and sensitive information system of any legislative body in the world. Since 1879, the Legislature's system of printing bills and the many legislative publications has provided a complete and full accounting of all legislative action.

The workload of the Legislature's printing plant has been increased in the interest of keeping the public informed. There are three daily publications printed for each house of the Legislature: the Daily Journal, the History and the Daily file. The copy for these publications is compiled by the clerks of the respective houses, under the supervision of the Secretary of the Senate and the Chief Clerk of the Assembly.

The Daily Journal. The Daily Journal contains an account of the proceedings of each house, the titles of all measures introduced, considered or acted upon by the house, roll calls upon all actions requiring a recorded vote, messages from the Governor and the other house, committee reports, motions, and other actions. In some ways the Daily Journal may be likened to the publication of a daily newspaper. The Minute Clerk records the day's activities in chronological order, keeping an accurate account of what transpires on the floor while the house is in session.

The Daily File. For each day of the session, a Daily File is printed that contains the titles of all measures that have been reported out of committee and that are to be considered by the Senate or the Assembly. Also included are motions to reconsider, notices of intention to withdraw the bill from committee and any concurrence in amendments of the other house that are pending. The Daily File shows any vote that has been taken on the bill in a committee or by the other house. Finally, it contains a table or listing of all bills and constitutional amendments with their dates of introduction and the date upon which they may be heard in committee.

The Daily or Weekly History. As the name implies, this publication is a history of legislation introduced and considered during the session. The Daily History shows the actions on all measures considered each day, with cumulative actions for each succeeding day until the last session day of the week. At the close of each week, a Weekly History is published that contains the titles of all measures introduced during the session, together with all actions taken and showing the dates upon which those actions were taken.

Legislative Bills. All bills, constitutional amendments, and joint and concurrent resolutions must be printed and made available to the members and the public as soon after their introduction or amendment as possible. Usually the bills are printed and ready for distribution the morning after their introduction. After printing, the individual bills are arranged in numerical sequence and filed in the Legislative Bill Room, where they are available for distribution to the public.

Other Legislative Publications. During the legislative session, Legislative Counsel periodically prepares and publishes a Legislative Index and Table of Sections Affected. The Legislative Index arranges the legislation that has been introduced alphabetically by subject while the Table of Section Affected arranges the legislation by code and accounts for each section that may be added, deleted, and amended by proposed legislation. The combination of the two provides a ready "bill locator" and reference for those searching for a particular bill when that person knows only the subject matter or codes involved.

The Summary Digest consists of a listing, by chapter number, of the digests prepared for and printed on the enrolled bills. These summaries provide an abbreviated description of the substance of the bills and resolutions signed by the Governor or filed with the Secretary of State. The Summary Digest is published once a year.

Non-Legislative Reports and Analyses. Reports issued by state agencies in compliance with legislative mandates are a ready source of program activities and outcome of legislative initiatives. The Legislative Analyst, the Senate Office of Research and the California Research Bureau all conduct analysis of programs and issues that may highlight new policies. On occasion these studies make recommendations that are implemented through legislation.

GETTING INVOLVED: TRACKING AND ANALYZING BILLS ON THE INTERNET

In recent years, the Legislature has made use of the Internet to disseminate information, analysis and documents. As a way to introduce the value of the Internet, we have condensed the process of analyzing and tracking bills into several steps. The process begins when the Legislature convenes for the first time in a new session or when they reconvene from an inter-session recess. Remember that each legislative cycle is two years long.

Locating the Bill. The second session of the 1999-2000 Legislative Session began on January 3, 2000. Both the Senate and Assembly Legislative Calendars are available through the Legislature's web pages at www.sen.ca.gov or www.assembly.ca.gov. Bills can be accessed from both

these sites or from the Legislative Counsel's web page at www.leginfo.ca.gov. Users of all three sites can search the database of current and prior session bills by entering the bill number, the author's name or a key word found in the legislation. Each search will provide all the Assembly and Senate bills, Constitutional Amendments and Resolutions that conform to the search parameters. You will need to identify the correct bill by its house of origin or by the author's name.

What s Happening Now. Once you access the correct bill you can review the History and the Status of the bill from the same web page. A bill's status tells the reader the location of the bill, its subject matter, title, and the last actions taken on the bill. The bill's history recounts the chronological advancement of the bill through the legislative process. The history also provides the easiest way to determine what will happen next, including when it will be heard in committee. The first record in both corresponds to the date that the author introduced the bill.

Included in both the status and history is a description of the bill's "type." A bill is defined as being either "active" or "inactive," "urgency" or "non-urgency," "appropriation" or "non appropriation," "state-mandated local program" or "no state mandate," "fiscal" or "non-fiscal," "tax levy" or "non-tax levy." Bills that are inactive may have been held in committee or were not passed from the floor within the time period required by the rules of the house. Urgency bills are used for statutes calling for elections, for tax levies or appropriations and go into effect upon signing by the Governor or a vote by the Legislature to override a veto. (The urgency clause included at the end of an urgency bill usually indicates that the bill provides for the "immediate preservation of the public peace, health or safety.") Non-urgency measures chaptered in the 2000 session will go into effect on January 1, 2001. Finally, bills may allocate state funds to state or local programs or mandate local governments to administer programs deemed to be necessary for the welfare of California. Likewise, a bill may have fiscal implications for local and state government or it may exercise or assign taxing authority to local or state government.

What Others Think. Once you know where a bill is and what it says, you need to understand what the bill will do if enacted. It is sometimes easiest to start by looking at other people's analysis. Both the Legislature and the Legislative Counsel post bill analyses on their web pages. Links to the bill analyses can be found on the same page as links to the bill's history and text. Legislative analysis may be produced by committee staff in both houses or by the majority party. In the end, who actually does an analysis depends for the most part on what the bill does. A bill that impacts the ability of local governments to enter into contracts is likely to be heard in one or both Local Government committees. Consultants who work for these committees will provide committee members with an analysis to help them decide whether to pass, pass with amendments or fail the bill.

Depending on the importance of the bill, it may be helpful to obtain bill analyses from other organizations. For this you will need to check the web pages of those organizations who may have the ability and interest to produce a bill analysis. Among those organizations that do monitor legislation are the League of California Cities (<http://www.cacities.org/>) and the California State Association of Counties (<http://www.csac.counties.org/>).

Finding out what others think may require you to put down the mouse and pickup the phone. Call a few of your colleagues or the office of the legislative member who is carrying the bill to identify who is supporting the legislation you are following and who is opposing it. A little more work will be needed to determine their reason for taking a particular position.

What Do You Think. Bill analysis is more a technique than a skill. In simple terms, it requires you to discern the difference between existing law and how the proposed change will affect your life or the lives of those you serve. To begin with, you need to know and understand the existing law. The source for this is a printed publication such as West's Annotated California Codes or the Internet. On the Legislative Counsel's web page you can find a link to the California Codes. Using either key words or the code reference number you can pull up the full text of the current law. The printed publications offer the advantage of providing background information on the law, including the act(s) that created or amended it and the legal decisions that have helped to clarify the law, neither of which is available through the Legislative Counsel's web page.

Once you understand the context, you will need to determine how the proposed law will change it. The first draft of a bill is the place to start. A newly introduced bill contains the full text of the existing law with the proposed amendments identified by underlines or strikeouts. Underlined text indicates new language that would be added to the existing law and lined-out text or strikeouts represents language that would be deleted from the existing law.

Subsequent versions of the bill that contain amendments use a different typographical code. These bills reflect existing law and all the bill's prior changes, irrespective of the date these changes were introduced, as regular font. Only the changes that are being proposed in that particular version of the bill appear in *Italics*.

It is important to remember that some bills are introduced to hold a spot for another proposal. The final versions of the bill may or may not have any similarity to the original "spot" bill. You should know which bills are spot bills before expending energy analyzing them. A quick call to the author's office will help to confirm whether or not a bill is a spot bill and where it might likely go in the future. Remember, each house has a deadline by which members must introduce their bills. A member who has not fully developed his idea may choose to introduce a spot bill rather than risk making a mistake with an undeveloped proposal.

When attempting to interpret the impact of proposed legislation on yourself or on your constituents, it is helpful to recognize the administrative, fiscal and legal aspects of the proposal. Be certain to consider whether the bill proposes something that is needed and feasible and whether it is fiscally and legally sound. Don't hesitate to let the author or your representative know how you feel once you have analyzed a bill. They can be reached by telephone or by Internet email. To find the telephone number or the e-mail address of your Senator or Assembly Member, consult the Senate or Assembly web page.

Tracking Amendments. Seldom if ever has a bill been passed through both houses of the Legislature without being amended. Only the author may amend a bill, but he or she may take the recommendations of other legislators or

of the committee hearing the bill to do so. If you are seeking advance notification of proposed amendments you should stay in touch with the author or the committee. But for the rest, monitoring a bill may mean simply waiting until the amendments have been introduced and appear in printed form. Both legislative web pages and the Legislative Counsel's page offer a tracking service. Once you enter your e-mail address, the service will notify you of changes in the status, history or text of a bill.

The Committee Testimony Committees usually announce hearing schedules on their web pages. If not, the bill's status will provide notice of a hearing. Once a hearing date is set the committee consultant will begin to build an agenda. Many consultants post the agenda and supporting documents on the committee's web page.

The Daily File provides the time and location of the hearing. Recently both the Senate and the Assembly have begun to broadcast hearings through the Internet. Using an Internet add-on such as Real Audio, it is possible to receive the audio and, on occasion, visual broadcasts from the committee hearing room. To access them, you must select the appropriate hearing room location on either the Senate or Assembly web page.

The results of the committee's actions can be found in the Daily Journal the day following the hearing. The Journal records the votes or important events that took place during the hearing.

It is important to note again, that if you wish to comment on the activities of a committee you should submit them to individual committee members, the committee chair or committee staff. Your comments should be sent in a letter or by e-mail, when appropriate, several days in advance of a hearing. The list of committee members can be found on the committee's website or in the Daily File. Their mailing and e-mail addresses are available on their web pages.

Last Chance. Both houses must hear and decide upon all bills prior to sending them to the Governor's desk. Once a bill reaches his desk, the Governor has twelve days, with some exceptions, to sign it, veto it or let it pass without his signature. In the case of a veto, the Legislature may override his decision with a 2/3 vote of both houses. To let your opinions be heard, it is necessary for you to contact your representative prior to the final vote in the house or to let the Governor know directly.

At the same time, it may be useful for you to communicate your feelings to the many associations who represent you. These may include the League of California Cities, California State Association of Counties, California Society of Municipal Finance Officers, and the California Municipal Treasurer's Association. You also may want to contact the state agencies that share your interests, including the State Treasurer's Office, the California Trade and Commerce Agency, the State Water Resources Control Board and the California Debt and Investment Advisory Commission.

Note: The above articles were originally published in the April 2000 issue of DEBT LINE. Reprinted with permission of the California Debt and Investment Advisory Commission.

Internet Resources for Researching and Tracking Legislation

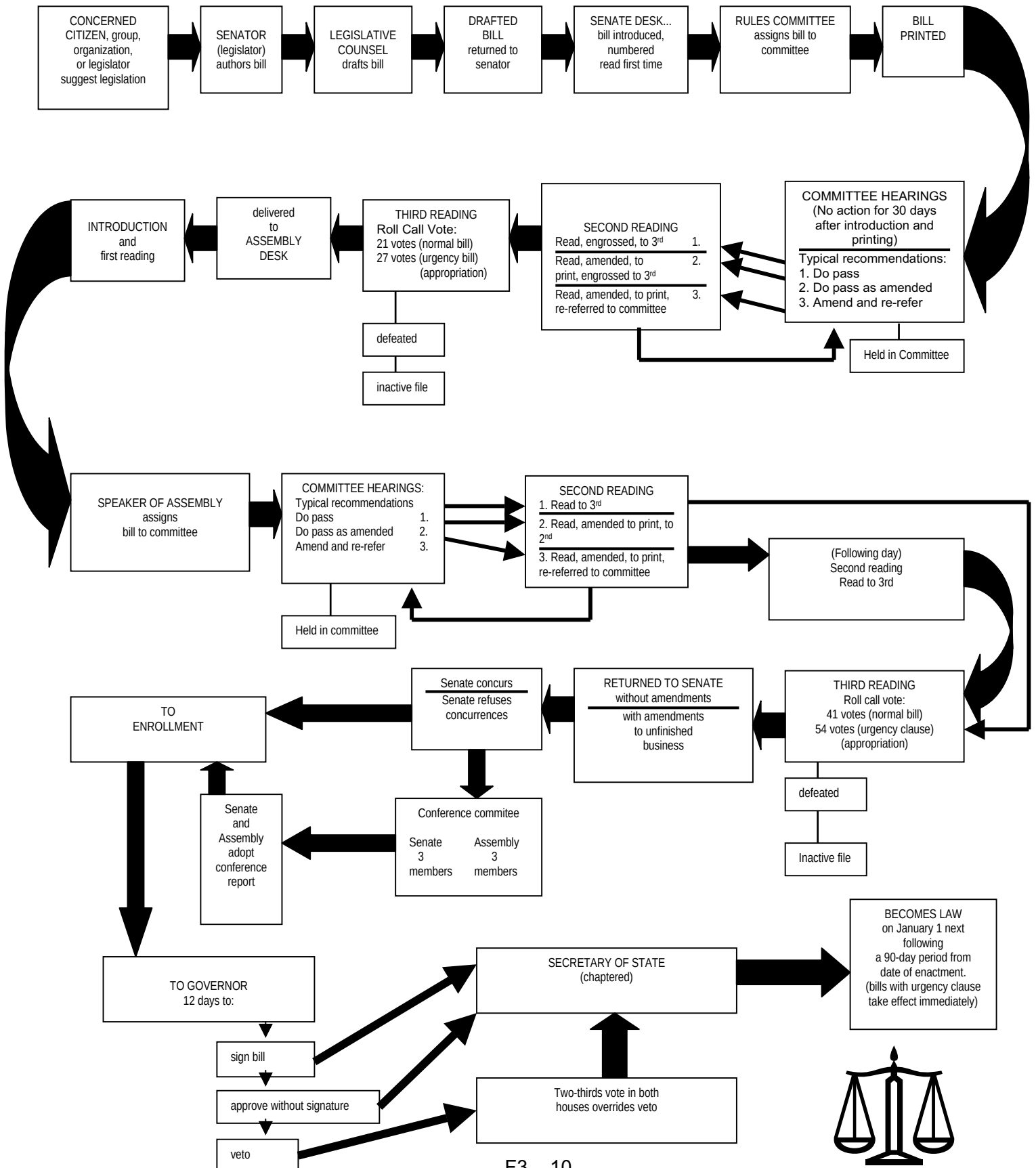
Resources

Internet Site

State Assembly Homepage	http://www.assembly.ca.gov
Assembly Member Office Addresses	http://www.leginfo.ca.gov/asm-addresses.html
Assembly Committee Assignments	ftp://leginfo.public.ca.gov/pub/dailyfile/asm/assembly_committees
State Senate Homepage	http://www.sen.ca.gov/
Senate Office Address	http://www.leginfo.ca.gov/sen-addresses.html
Senate Committee Assignments	ftp://leginfo.public.ca.gov/pub/dailyfile/sen/senate_committees
Senate Session Calendar	http://www.leginfo.ca.gov/doc/senate_ses_sched
Rules of the Legislature	http://www.leginfo.ca.gov/rules.html
Legislative Calendar	http://www.leginfo.ca.gov/legislative_calendar.html
Legislative Counsel Homepage	http://www.leginfo.ca.gov/
Daily File	http://www.leginfo.ca.gov/dayfile.html
Daily Listing of Committee Hearing	http://www.leginfo.ca.gov/todevnt.html
Glossary of Legislative Terms	http://www.leginfo.ca.gov/glossary.html
Legislative Index	http://www.leginfo.ca.gov/legpubs-legindex.html
Table of Sections Affected	http://www.leginfo.ca.gov/legpubs-tosa.html
California Codes	http://www.oal.ca.gov/
Policy Report	
Legislative Analyst's Office	http://www.oal.ca.gov/
Senate Office of Research	http://www.sen.ca.gov/sor/
California Research Bureau	http://www.library.ca.gov/html/statseg2a.cfm
League of California Cities	http://www.cacities.org/
California State Assn of Counties	http://www.csac.counties.org/



How a Bill Becomes Law



Reference Items Section
Chapter F-4

ACCOUNTING CONTROLS

INTRODUCTION

The primary function of this chapter is to illustrate the procedures relating to the original tax levy, collections, corrections, distribution and year-end accounting. **Teeter** and non-Teeter counties utilize accounting controls to keep finance and property tax in balance, and to assist counties with apportionments and year-end accounting.

MAIN TOPIC

The funds used to control the tax charge receivables, collections and distributions, are the ***Unapportioned Tax Fund (UTF)*** for non-Teeter taxes and the ***Apportioned Taxes Resource Fund (ATRF)*** or ***Tax Resource Fund (TRF)*** for Teeter taxes. For the remainder of this chapter “tax fund” will be used to describe both unapportioned and apportioned tax funds unless specific to Teeter or non-Teeter.

ACCOUNTING TREATMENTS

Counties may combine the cash accounts of the tax fund and account for the liability through separate liability accounts for each type of collections. The accounts for the tax fund and their normal balances are:

	<u>DR</u>	<u>CR</u>
Cash - UTF	X	
Taxes Receivable – Current Secured	X	
Taxes Receivable – Current Unsecured	X	
Taxes Receivable – Current Supplemental	X	
Taxes Receivable – Prior Secured	X	
Taxes Receivable – Prior Unsecured	X	
Taxes Receivable – Prior Supplemental	X	
Due to Other Funds and Entities –Current Secured		X
Due to Other Funds and Entities –Current Unsecured		X
Due to Other Funds and Entities –Current Supplemental		X
Due to Other Funds and Entities –Prior Secured		X
Due to Other Funds and Entities –Prior Unsecured		X
Due to Other Funds and Entities –Prior Supplemental		X
Due to Other Funds and Entities –Tax Defaulted Land Sales		X
Due to Other Funds and Entities –Redemption Installments		X
Due to Other Funds and Entities –Advance Collections		X
Due to Other Funds and Entities –Refundable Taxes		X
Due to Other Funds and Entities –Protested Taxes Impounded		X
Due to Other Funds and Entities –Other Taxes (designate)		X

If Teeter, a ***Tax Losses Reserve Fund (TLRF)*** needs to be set up to cover losses incurred from special sales of ***tax defaulted properties***. (R&T Code §4703), the following entry would be made.

Cash - TLRF	X	
Tax Losses Reserve – Equity		X
Tax Losses Reserve – Current Penalties		X
Tax Losses Reserve – Delinquent Penalties		X
Tax Losses Reserve – Redemption Penalties & Interest		X

Original Charge

The tax charge (sum total of the tax bills prepared) for each roll is posted as a receivable with an offsetting liability in the tax fund.

Taxes Receivable – Current Secured	1,000,000	
Due to Others Funds and Entities – Current Secured		1,000,000

Collections

When the tax collector collects tax revenue, cash is debited and the tax receivable is credited in the tax fund.

Cash - UTF	200,000	
Taxes Receivable – Current Secured		200,000

Roll Changes

Assessed values and tax may change after the tax bills are mailed due to the changes made by the assessor and auditor during the year. The types of changes fall into four general categories:

1. Cancellations – Generally, this is the result of an acquisition of property by a tax-exempt jurisdiction during the year, requiring either a portion or the entire tax to be cancelled.
2. Escaped Assessments – These changes pertain to prior year assessed valuations of properties that were not assessed and taxed during that fiscal year. The tax amounts are based on the rates levied for the escaped year and added to the current charge file. These types of corrections are found on both the current secured and unsecured rolls.
3. Special and/or Direct Assessments – These types of corrections are usually reported to the auditor by a local district to correct assessments added to the tax bill. These corrections affect the tax charge only and do not involve assessed valuations.

4. Corrections – This category includes assessor's errors, value decreases, name changes, missed or erroneous exemptions, erroneous tax rate areas, transfers to the unsecured roll, etc.

Generally, any change to assessed valuation or the tax charge will necessitate entries in the tax fund. The following is an example of the entry to reduce the Secured Tax Receivable for a roll correction that decreased the tax by 5,000, excluding refunds.

Due to Other Funds and Entities – Current Secured	5,000	
Taxes Receivable – Current Secured		5,000

The same principle is true if tax is increased for any reason, except the receivable will be debited and the liability will be credited.

Taxes Receivable – Current Secured	1,500	
Due to Other Funds and Entities –Current Secured		1,500

Refunds

Tax refunds may be the result of an overpayment on a tax bill, a value reduction where the tax has been paid, or a negative supplemental assessment.

1. Tax collector discovers a duplicate current unsecured payment was received and deposited and issues a warrant to the taxpayer.

Taxes Receivable – Current Unsecured	125	
Cash - UTF		125

2. A roll correction on a paid tax parcel has caused a refund, a signed claim form has been returned from the taxpayer.

Due to Other Funds – Refundable Taxes	75	
Due to Taxpayer – Refundable Taxes		75

Due to Taxpayer – Refundable Taxes	75	
Cash - UTF		75

3. A supplemental negative assessment refund of \$100.00 is issued to a taxpayer.

Due to Other Funds – Supplemental Taxes	100	
Due to Taxpayer – Supplemental Taxes		100

Due to Taxpayer – Supplemental Refunds	100	
Cash - UTF		100

Penalties and Costs

- A. Current. As penalties and costs are added to the tax rolls, the liability of these amounts may be reflected in the control accounts of the Unapportioned Tax Fund and added to the appropriate receivable and liability accounts. Penalties and costs may be combined with existing balances and not recorded separately in the control accounts. The distinction between tax and penalty amounts are controlled in the tax charge, collection reports received from the tax collector, and the apportionment process.

The following example in the Unapportioned Tax Fund is to record penalties on the unsecured roll as of August 31st.

Taxes Receivable – Current Unsecured	50,000	
Due to Other Funds and Entities –Current Unsecured		50,000

- B. Redemption. If redemption penalties and costs are regularly added to all tax defaulted property, they should be posted to the prior secured receivables and due to accounts. However, since redemption penalties accrue on these balances monthly and vary with the year of tax default, the usual practice is to compute the “amount necessary to redeem” upon request or at the time of payment. Prior secured taxes are recognized without regard to the fiscal year levied. Redemption penalties and fees are posted to the liability account when collected.

The following is an example of a tax-defaulted parcel that has been redeemed.

Amount of Tax and Special Assessments	\$150.00
10% Penalty	15.00
Delinquent Cost	10.00
Redemption Fee	15.00
Redemption Penalty (6 months at 1.5% per month)	<u>13.50</u>
Total Paid	<u>203.50</u>

Unapportioned Tax Fund to record redemption of tax-defaulted parcel.

Cash - UTF	203.50	
Taxes Receivable – Prior Secured		175.00
Due to Other Funds & Entities-Prior Secured (15.00 + 13.50)		28.50

- C. Teeter. Penalties collected from current, delinquent or redemption penalties and interest on teetered tax are posted to the tax losses reserve fund (R&T Code §4710b).

Cash - TLRP	10,000	
Tax Losses Reserve-Current Penalties		2,000
Tax Losses Reserve-Delinquent Penalties		4,500
Tax Losses Reserve-Redemption Penalties & Interest		3,500

Tax Sale.

Non-Teeter tax sale receivable \$635 sold for \$560.

1. Due to Other Funds & Entities-Prior Secured Taxes Receivable-Prior Secured	635	635
2. Cash - UTF Due to Other Funds & Entities – Tax Defaulted Land Sales	560	560

Teeter tax sale sold at a profit.

1. Cash-Tax Sale Trust Receipts-Tax Sale Trust	45,000	45,000

Record the proceeds from the sale of tax defaulted property.

2. Disbursements-Tax Sale Trust Cash-Tax Sale Trust	12,500	12,500

Record the disbursement for the tax, penalties, and interest.

3. Cash - TRF Taxes Receivable-Prior Secured	10,000	10,000

Reduce the receivable in the Tax Resource Fund based on receipts from tax sale.

4. Cash - TRF Tax Losses Reserve-Delinquent Penalties Tax Losses Reserve-Redemption Penalties & Interest	2,500	2,000 500

Record in Tax Losses Reserve the recovery of penalties and interest.

The excess proceeds of \$32,500 remains in the delinquent tax sale trust fund. Any interested party may file a claim for the excess proceeds for up to one year after the deed is recorded. Excess proceeds are not subject to distribution until one year after the deed to the purchaser is recorded.

Teeter Tax Sale sold at a loss.

1. Cash-Tax Sale Trust	9,000	
Receipts-Tax Sale Trust		9,000

Record the proceeds from the sale of tax defaulted property.

2. Disbursements-Tax Sale Trust	9,000	
Cash-Tax Sale Trust		9,000

Record the disbursement for the tax, penalties, and interest.

3. Cash - TRF	10,000	
Taxes Receivable-Prior Secured		10,000

Record the receivable in the Tax Resource Fund.

4. Tax Losses Reserve-Equity	1,000	
Cash - TRF		1,000

Record a loss in Tax Losses Reserve.

Apportionments

There are two different types of apportionments, non-Teeter and Teeter. Refer to the Apportionment of Taxes and Subventions chapter for more information on apportionments. This chapter will focus primarily on the entries needed for the tax fund.

- A. Non-Teeter tax revenue and penalties are apportioned based upon the actual amount of collections. For example, on August 31 the total amount of taxes and penalties collected to date on the unsecured roll is \$1,500,000.

Due to Other Funds and Entities-Unsecured Current	1,500,000	
Cash - UTF		1,500,000

- B. Teeter is apportioned based upon the Teeter levy. Each county determines allocation of the original tax levy on specific dates. These dates usually correspond closely with the delinquent dates for secured installments.

1. For example, the total initial charge for secured current is 10,000,000. The first apportionment for 55% of the Teeter levy is due December 10.

Due to Other Funds and Entities –Current Secured	5,500,000	
Cash - ATRF		5,500,000

2. The following is an example of the second apportionment of 40% less the SB 2557 administration fees for \$100,000 that the county is allowed to deduct from the special districts and cities.

Due to Other Funds and Entities –Current Secured	4,000,000
Due to General Fund – Admin Fee	100,000
Cash - ATRF	3,900,000

3. The final 5% of the taxes is reserved to cover roll corrections and refunds that are processed throughout the year. As a result, the initial apportionment is based on a gross billing which is not the same as the actual taxes collected plus year-end delinquencies. All current year and prior year refunds and corrections are adjusted through the Apportioned Taxes Fund. Each entity pays their portion of the refund when all corrections, cancellations and refunds from the current year and prior year secured roll are netted and apportioned in what is referred to as a “reverse apportionment.” (R&T Code §4707)

For example during the year the total roll corrections for both the current and prior secured increased the roll by \$100,000 and there were \$250,000 in refunds paid. The 5% apportionment of \$500,000 will be reduced by the \$150,000 net difference between the roll corrections and refunds.

Due to Other Funds and Entities –Current Secured	350,000
Cash - ATRF	350,000

The entries for the roll corrections throughout the year should be recorded as an increase in Current Secured tax for \$150,000 and a decrease in Delinquent Secured Tax for \$50,000.

Accounts Receivable – Current Secured	150,000
Due to Others	100,000
Accounts Receivable – Delinquent Secured	50,000

Year End

The current year tax rolls to the appropriate delinquent roll after June 30. The secured current rolls to the prior secured with some exceptions e.g., mobile homes, which roll to the unsecured delinquent. (R&T Code §2190 & §5830)

Example of secured current to delinquent with mobile homes of \$100,000.

1. Due to Other Funds and Entities –Current Secured	1,000,000	
Taxes Receivable – Current Secured		1,000,000
2. Taxes Receivable – Prior Secured	900,000	
Due to Other Funds and Entities –Prior Secured		900,000
3. Taxes Receivable – Prior Unsecured	100,000	
Due to Other Funds and Entities –Prior Unsecured		100,000

Teeter taxes may require additional entries to the Tax Losses Reserve fund to transfer the excess balance. The Tax Losses Reserve Fund receives revenues from payment of delinquent penalties, redemption penalties and redemption interest on Teeter Taxes (R&T Code §4708 & §4710). Unclaimed excess proceeds from the sale of defaulted property are also revenue to this fund (R&T Code §4674). The fund is charged with the losses from the sale of defaulted property. Each fiscal year the fund is subject to the provisions of R&T Code §4703 or §4703.2.

The Tax Losses Reserve Fund requirements of R&T 4703 must be used unless a county adopts a resolution by October 31 of any fiscal year electing to be governed by R&T Code §4703.2.

1. Whenever in any year the amount in this fund exceeds 1% of the total of all taxes Teetered on the secured roll for the participating entities, the amounts authorized to be credited to this fund MAY, for the remainder of that year, be credited to the county general fund (R&T Code §4703). (Note: This percentage has been revised downward throughout the years as follows: October 1, 1949 - 5%; September 17, 1987 - 4%; October 6, 1993 - 3%; May 11, 1995 - 2%; and October 16, 1995 – 1%)
2. An alternative procedure, upon county resolution, requires that not less than 25% of the county total delinquent secured taxes and assessments, as calculated at year-end, for participating entities must be maintained in the fund. At the end of the fiscal year any excess of the 25% MAY be credited to the county general fund (R&T Code §4703.2(c)). Prior to October 16, 1995, the percent factor was 50%.

Below is an example of the transfer to the general fund from the Tax Losses Reserve Fund at the end of the fiscal year. The Tax Losses Reserve Fund has a cash balance of \$500,000 on June 30 with \$80,000 in Tax Losses Reserve-Equity. The extended tax figure from the beginning of this fiscal year for all Teeter tax was \$10,000,000. According to R&T Code §4703 only amounts in excess of 1% may be transferred from the Tax Losses Reserve. In this example, amounts is excess of \$100,000 may be transferred.

The final result in the Tax Losses Reserve will be a debit balance of \$100,000 in cash and a credit balance of \$100,000 in Tax Losses Reserve-Equity.

Tax Losses Reserve-Current Penalties	100,000	
Tax Losses Reserve-Delinquent Penalties	160,000	
Tax Losses Reserve-Redemption Penalties & Interest	160,000	
Cash - TLRP		400,000
Tax Losses Reserve-Equity		20,000

Reduced the Tax Losses Reserve to 1% of \$10,000,000.

Cash – General Fund	400,000	
General Fund Revenue		400,000

Posts the additional amount from the Tax Losses Reserve to the General Fund.

ADDITIONAL CONSIDERATIONS

It is important to balance the tax receivable to the property taxes on a regular basis. The balance in the tax receivable account should always balance to the amount of outstanding tax, penalties and cost.

When doing non-Teeter apportionments, it is important to remember to balance to the cash in the Unapportioned Tax Fund, because there may be interest to apportion along with the tax and penalty.

Additional procedures that insure the completeness and accuracy of information for property taxes processes are discussed throughout the manual in each of the chapters.

RELATED TOPICS

Apportionments of taxes and subventions; Teeter & Non-Teeter (C-1)
 Teeter/Alternate Methodology (C-2)
 Miscellaneous Taxes (C-3)
 Supplemental Roll Maintenance (C-6)
 Tax Roll Changes (C-7)
 Tax Extensions; Secured and Unsecured (B-5)
 Certified Delinquent Amounts (B-7)
 State Controller's Accounting Standards and Procedures for Counties-Chapter 18

**Reference Items Section
Chapter F-5**

RECORD RETENTION

INTRODUCTION

There are a number of statutes dealing with the retention and the destruction of public documents and records, ranging from general to specific application. Some statutes may require the approval by the board of supervisors before any records may be destroyed. If the time period affecting the destruction of a particular record is not known, consult with county counsel. Although there is no legal requirement to retain documents longer than the retention period, they may be retained to accommodate the State Controller's property tax audits.

MAIN TOPIC

Substitute media is defined in Government Code §26205 as photographs and micro-photographs, electronically recorded video images on magnetic surfaces, records in the electronic data-processing system, records recorded on optical disk, other reproductions on film, or any other medium that does not permit additions, deletions, or changes to the original document images.

Statutes Specific to Property Tax Record Retention and Destruction

Subject

Code Section
Substitute Media* acceptable
Retention Period
Board Resolution Required
Remarks

Secured delinquent tax rolls

§ 4377, Revenue & Taxation
Yes
12 years
Yes

The abstract list must have been certified as correct and complete by the county auditor. A certified, permanent record on a substitute media must have been prepared in accordance with § 26205 of the Government Code and the substitute media will be retained for at least 12 years from the date of the creation of the original document. The substitute media may also be destroyed following the expiration of the 12-year retention period.

Subject

Code Section
Substitute Media* acceptable
Retention Period
Board Resolution Required

Unsecured tax rolls

§ 2928, Revenue & Taxation
Yes
5 years
Yes

Remarks	The delinquent roll or abstract list must have first been certified as correct and complete by the county auditor. A certified, permanent record on a substitute media must have been prepared in accordance with §26205 of the Government Code and the substitute media and will be retained for at least five years from the date of the creation of the original document. The substitute media may also be destroyed following the expiration of the five-year retention period.

Subject Code Section Substitute Media* acceptable Retention Period Board Resolution Required Remarks	Redemption certificate § 4107, Revenue & Taxation Yes 12 years Yes A certified, permanent record on a substitute media must have been prepared in accordance with Section 26205 of the Government Code and the substitute media must be retained for at least 12 years from the date of creation of the original document. The substitute media may also be destroyed following the expiration of the 12-year retention period.

Subject Code Section Substitute Media* acceptable Retention Period Board Resolution Required Remarks	County, school, special district claims, warrants, warrant vouchers § 26907, Government Code Yes 5 years No None

Subject Code Section Substitute Media* acceptable Retention Period Board Resolution Required Remarks	Warrant index or register § 26907, Government Code Yes 5 years No Any index or warrant register that is over five years old may be destroyed without being photographically or micro-photographically reproduced.

Statutes Containing General Provisions on Record Retention or Destruction

Government Code §26202 – Authorizing destruction of records more than two years old

Government Code §26205 – Destruction of records on request of county officer

Government Code §26205.1 – Destruction of records and other documents upon resolution of board of supervisors

Government Code §26205.7 – Destruction of historical handwritten records after notice to Secretary of State, etc.

State Controller's Record Retention Guidelines

The State Controllers' Office publishes the State of California Accounting Standards and Procedures for Counties. Appendix D of that publication includes record retention guidelines for property tax as well as other related documents. That appendix is not included in this chapter

In addition, the State Controller's Office publishes the following retention schedule in the Tax Collector's Manual as a guide. However, it is recommended that county counsel be consulted before pursuing the destruction of any records. Also, a list of those documents may need to be submitted to the Board of Supervisors for a resolution authorizing the destruction of those certain records.

LEGEND

Alt. Media = Alternate Media such as Microfilm, Microfiche

GC = Government Code

RT = Revenue and Taxation Code

Document Type	Paper	Alt. Media	Code	Section
Bankruptcy Records	2	2	GC	26202
Bulk Transfer Records	2	2	GC	26202
Correspondence	2	2	GC	26202
CORTAC Number Records	2	2	GC	26202
Liens and Lien Records	12	12	GC	26205, 26205.1
Mobile Home Tax Clearance Certificates	2	2	GC	26202
Published Legal Notices	2	2	GC	26202
Post Office Returns & Address Changes	2	2	GC	26202
Proposition 13 Tax Change Records	15	12	GC	26205.1
Public Sales/Auction Records	12	12	GC	26205, 26205.1

Document Type	Paper	Alt. Media	Code	Section
Property Sold & Deeded Reports	12	12	GC	26205.1
Summary Judgment Unsecured Taxes	10	10	RT	3105
Supplemental Tax Transfers to Unsecured	12	12	GC	26205.1
Tax Collection Reports	12	12	GC	26205.1
Tax Collection Trust Records	12	12	GC	26205
Tax-Defaulted Subject to Power to Sell Records	12	12	GC	26205
Tax Payment Records & Receipts	2	2	GC	26202
Supplemental Tax Rolls	12	12	No Specific Provision	Suggest Use RT 4377
Tax Service Payment Reports	2	2	GC	26202

Reference Items Section
Chapter F-6

STATE REPORTS

INTRODUCTION

Throughout the year, it is necessary for the Auditor to complete various State reports. As you cover this chapter, it will provide you with the report title, code section (if applicable) and filing date(s). The calendar, which is available within this manual, is a valuable tool providing a monthly recap of the Auditor's responsibilities.

MAIN TOPIC

This chapter will provide information to help you complete various State reports. They are listed in an alphabetical order by report number/name.

METHODOLOGY

**BOE-822A STATEMENT OF THE COUNTY AUDITOR TO THE BOARD OF
EQUALIZATION AND THE CONTROLLER OF THE STATE OF CALIFORNIA
BOE-822B SUPPLEMENTAL TAXES**

State Dept	State Board of Equalization, Agency Planning & Research
Purpose	(A) Yearly local roll totals (B) Supplemental bills and collections reported from 1983-84 to current year.
Due Date	August 16, \$1,000 late filing fee
Code	Revenue & Taxation §1647-1650
Exhibits	1A – 1D

The **local roll** values are used for this report. Do not include **utility** values or the value for documented vessels. All inside cities values, including aircraft, are reported for each city by type of value for both **secured** and **unsecured**. The countywide total reported should match the Assessor report (BOE-801-R). The difference between the county total and inside cities totals should equal the outside cities total (Exhibit 1A & 1B). Locally assessed pipelines can be reported in column three. The BOE-822B portion of this report includes supplemental taxes billed and collected reported by each roll year (Exhibit 1C). The final page accumulates the total billed and collected to date for all roll years (Exhibit 1D).

**CAM 314 ASSESSED VALUATION OF SCHOOL DISTRICTS FOR
COMPUTATION OF STATE SCHOOL BLD. AID LOAN PAYMENTS**

State Dept	Controllers Office - Div. Of Accounting & Reporting
Purpose	Provides assessed value for those school districts that have state school building loans.
Due date	August 16
Code	Education Code §16000 - 16344
Exhibit	2A

All school districts that have outstanding state loans will be on the State form. Provide assessed values, excluding redevelopment, for each debt fund as of November 1st, if available. If adjusted certified values are not available as of November 1, use certified values for each school's state school building debt fund. Using the prior year's report, calculate the percentage of change for the last column. Any change of percentage that exceeds 15% requires a written explanation (Exhibit 2A).

**CCFS-329 LOCAL PROPERTY TAX REVENUE FOR GENERAL OPERATING
SUPPORT, EXCLUSIVE OF VOTER APPROVED DEBT**
**CCFS-ERAF CALIFORNIA COMMUNITY COLLEGES EDUCATION
REVENUE AUGMENTATION FUND**

State Dept	Calif. Community Colleges - Chancellors Office
Purpose	Provides actual and estimated tax revenue for community colleges including an Educational Revenue Augmentation Fund (ERAF) estimate for the current year.
Due Dates	November 15 & April 15
Code	Education Code §84207
Exhibits	3A & 3B

November 15th Report - To complete the CCFS-329 portion you will need to provide actual revenue for each community college. Do not include revenue from any other county. This revenue is reported by type. Report supplemental revenue for both current and delinquent collections on the same line. The amount to report as the estimate for the current year will be based on current year **AB-8 allocation** information using actual values times **AB-8 apportionment factors** for the current year (Exhibit 3A). Section A of the CCFS-ERAF (Exhibit 3B) form remains the same every year. The totals reflect the 92-93 actual ERAF distribution. The second Section B represents the current year estimate for ERAF (B1) using the percentages from (A4 & A5) to derive B2 & B3.

April 15th Report - Review your estimates from the November report and make the appropriate changes. Exclude revenues from other counties.

COL-225 Semi-Annual Settlement

State Dept.	State Controller's Office Division of Collections Bureau of Tax Administration with copy to State Treasurer.
Purpose	Create remittance report of redemption fees and unclaimed property fund of estates of deceased persons being sent to State.
Due Dates	January 15 th and June 15 th .
Codes	Government Codes §30101, §30103, §30104 Penalty for non-compliance
Exhibit	4A

- Line 1 - Fees on **Redemption** of Tax Defaulted and Tax Sold Land: The standard redemption fee is \$15.00, but may be increased by county authorization. The first \$5.00 of the redemption fees collected for **tax defaulted properties** are distributed to the State of California. The remainder is distributed to the county (R&T Code §4656.5).
- Line 2 - Fees of Sales of Tax Defaulted Land: For each **parcel** subjected to **tax sale** \$1.50 shall be distributed to the State (R&T Code §4672).
- Line 3 - Unclaimed Property Fund Estates of Deceased Persons: Any funds remaining unclaimed for one year are sent to the State (Probate Code §11850-11854) (Exhibit 4A).

HOMEOWNERS' CLAIM – Property Tax Loss Reimbursement Claim

State Dept	State Controller's Office, Division of Accounting and Reporting
Purpose	For reimbursement of tax loss due to homeowners' exemption
Due Date	On or before December 1 st
Codes	Article XIII, Section 3(k) and 25, Constitution Government Code §16120 & §29100.6, R&T Code §218
Exhibits	5A – 5C

To complete this report, it is necessary to capture all homeowners' exemption activity for the current year and exemption corrections made to prior years. Any homeowners' exemption allowed or cancelled on the **supplemental roll** must be calculated and prorated based on the **date of event**.

When certified values are available, determine the total value reported by the assessor for homeowners' exemptions allowed for both secured and unsecured. To calculate the amount of tax loss, it is necessary to multiply the homeowners' exemption value in each **tax rate area** by the current year's **tax rate** for the secured exemptions and the prior year's tax rate for the unsecured exemption value. The State requests the number of exemptions be reported for the current year only (Exhibit 5A).

A change in exemption value made after certification must be tracked for all affected rolls and a tax loss calculation made. This would be reflected on the following year's claim as a prior year correction. Changes more than 4 years old will not be allowed on the claim.

Provide schedules showing the assessed value exempted, tax rate, and

computed tax loss: 1) supporting data for the current year, prior year adjustments, and supplemental roll should be shown on separate schedules; 2) for prior year adjustments, please indicate the year of the tax loss (the year in which the exemption is granted the homeowner) as well as the tax roll year (Exhibit 5B & 5C).

<u>State Payment Schedule</u>	<u>Percentage Paid of Claim</u>
On or before November 30	15%
On or before December 31	35%
On or before April 30	35%
On or before May 31	15%

The Homeowners' Claim is due to the State on or before December 1st. The first payment, based on that claim, is scheduled for the end of November. To ensure receipt of the first payment by the scheduled date, the claim should be submitted to the State by mid-November. If it is received by the State after that time, the first payment may be delayed and included with the second payment at the end of December.

For distribution instructions see Apportionment of Taxes and Subventions Chapter.

TAXES REPORT (Principal Apportionment) OF ACTUAL (ESTIMATED) AMOUNT OF TAXES (TO BE) COLLECTED FOR THE FISCAL YEAR

TAXES REPORT (Principal Apportionment) - SAME AS ABOVE BUT FOR THE COUNTY SUPERINTENDENT

State Dept	California Department of Education
Purpose	To provide tax estimates for the State to calculate state aid for school district revenue limits for the apportionments made by the State to schools.
Due Dates	November 15 (P-1 estimate), April 15 (P-2 estimate) and August 15 (actual)
Codes	Education Code §41760.2
Exhibits	6

November 15th tax estimates for secured, unsecured and homeowners can be determined by using the total current **levy** times the current **AB8 factor** for each school. When estimating prior and supplemental revenues you can use the actual prior year revenues. These estimates should not include revenues received from other counties, but should include an estimate of revenues to be paid to other counties. Allow sufficient time to transmit this report to your Superintendent of Schools for their signature (Exhibits 6A).

April 15th report should reflect any changes from your November estimate.

August 15th report is based on actual tax revenues received, including amount received from other counties. Refer to the instructions for the Taxes

Report Principal Apportionment Tax Software available on the Department of Education website <http://www.cde.ca.gov/fq/sf/tc/>.

In accordance with Revenue and Taxation Code §5721, Racehorse Taxes are distributed to taxing agencies as property taxes in lieu. Racehorse Taxes are not specifically addressed in the Education codes. California Department of Education Code §17261 discusses miscellaneous revenue that must be reported as revenue to school districts. It states, "Payments by the federal, state, county and city government or any agency of any such government that are payment *in lieu* of taxes". The code does not discuss payments made by individuals. For these reasons, Counties vary in their inclusion of Racehorse Taxes for the Taxes Report (Principal Apportionment) purposes.

LGRS 200 THRU 206 ANNUAL REPORT OF PROPERTY TAXES

State Dept	State Controller's Office, Division of Accounting and Reporting
Purpose	To report estimated tax for all jurisdictions that receive ad valorem property taxes from the 1% countywide rate including voter approved debt rates and assessed values. The LGRS 206 report provides an estimate of the allocation of ERAF funds.
Due Dates	On or before December 1 st \$1,000 penalty for late filing
Codes	Government Code §29109
Exhibit	7

The summary page (LGRS 200) is a recap representing the totals from the detailed reports (Exhibit 7A). Part I should balance to Part III (columns A through D). Part II should equal totals from Part III (columns E through H).

Report all *jurisdictions* that receive **ad valorem** property taxes from the 1% countywide rate, voter-approved debt and/or other ad valorem property taxes. The amounts are to be rounded to the nearest dollar. Voter-approved debt tax rates should be expressed in terms of per \$100 of **net taxable value** and carried to the sixth decimal place. Do not include any amounts applicable to the supplemental roll, **special assessments** or direct charges.

The detailed forms (LGRS 201, 203 – 206) should reflect the jurisdictional property taxes after the allocations to ERAF and **tax increment to redevelopment agencies**. Also, Revenue and Taxation Code §100 reductions should not be reflected in the detail schedules.

ASSESSMENT TOTALS FOR 2000

Do not include publicly owned property, state-assessed property, or property subject to special taxes.

COUNTY 40 OZ

ROLL	LINE NO.	CLASS OF PROPERTY	EMERALD CITY (1)	CITY OF OZ (2)	(3)	(4)
S E C U R E D	1	LAND	576,637,688	1,261,939,218		
	2	IMPROVEMENTS	562,062,954	1,689,273,277		
	2A	A. Fixtures if shown separately on the roll	3,126,752	16,143,971		
	3	OTHER TANGIBLE PERSONAL PROPERTY Exclude documented vessels assessed at 4%	7,907,093	48,148,480		
	4	TOTAL TANGIBLE (Sum of all entries above)	1,149,734,487	3,015,504,946		
	5	EXEMPTIONS:				
	5A	A. Homeowners' property tax exemption (7,000 max) B. All other enrolled exemptions	13,103,792 4,952,600	44,330,273 82,693,847		
	6	NET TOTAL TANGIBLE (line 4 minus line 5B)	1,144,781,887	2,932,811,099		
U N S E C U R E D	7	LAND				
	8	IMPROVEMENTS	3,482,060	37,690,210		
	8A	A. Fixtures if shown separately on the roll	4,996,898	32,873,852		
	9	OTHER TANGIBLE PERSONAL PROPERTY Exclude documented vessels assessed at 4%	10,665,835	135,445,723		
	10	TOTAL TANGIBLE (Sum of entries on line 7,8 and 9)	19,144,793	206,009,785		
	11A	EXEMPTIONS:				
	11B	A. Homeowners' property tax exemption (7,000 max) B. All other enrolled exemptions		7,000 1,644,199		
	12	NET TOTAL TANGIBLE (line 10 minus line 11B)	19,127,449	204,365,586		
T O T A L S	13	LAND (Sum on entries on lines 1 & 7)	576,637,688	1,261,939,218		
	14	IMPROVEMENTS (sum of entries on line 2 & 8)	565,545,014	1,726,963,487		
	14A	A. Fixtures (sum of entries on lines 2A and 8A)	8,123,650	49,017,823		
	15	OTHER TANGIBLE PERSONAL PROPERTY (Sum of entries on lines 3 and 9)	18,572,928	183,594,203		
	16	TOTAL TANGIBLE PERSONAL PROPERTY Or entries on lines 13 thru 15	1,168,879,280	3,221,514,731		
	17A	EXEMPTIONS:				
		A. Homeowners' (Total of lines 5A and 11A) B. All other (Total of lines 5B and 11B)	13,103,792 4,969,944	44,337,273 84,338,046		
	18	NET TOTAL TANGIBLE (Line 16 minus line 17B)	1,163,909,336	3,137,176,685		

Exhibit 1A

ASSESSMENT ROLL TOTALS FOR 2000

Do not include exempt publicly owned property, state-assessed property, or property subject to special taxes. COUNTY 40 OZ

ROLL	LINE NO.	CLASS OF PROPERTY	TOTAL INSIDE CITIES (1)	TOTAL OUTSIDE CITIES (2)	ALLOCATED CO WIDE (3)	COUNTY TOTAL (4)
S E C U R E D	1	LAND	1,838,576,906	6,616,980,344	3,821,332	8,459,378,582
	2	IMPROVEMENTS	2,251,336,231	7,358,383,254		9,609,719,485
	2A	A. Fixtures if shown separately on roll	19,270,723	289,525,735		308,796,458
	3	OTHER TANGIBLE PERSONAL PROPERTY	56,055,573	145,345,803		201,401,376
	4	TOTAL TANGIBLE PERSONAL PROPERTY				
	5	EXEMPTIONS:				
	5A	A. Homeowners' property tax exemption (7000 max)	57,434,065	258,605,402		316,039,467
	5B	B. All other enrolled exemptions	87,646,447	147,164,500		234,810,947
	6	NET TOTAL TANGIBLE (line 4 minus line 5B)	4,077,592,986	14,263,070,636	3,821,332	18,344,484,954
U N S E C U R E D	7	LAND	41,172,270	42,649,911		83,822,181
	8	IMPROVEMENTS	37,870,750	91,631,339		129,502,089
	8A	A. Fixtures if shown separately on roll				
	9	OTHER TANGIBLE PERSONAL PROPERTY Exclude documented vessels assessed at 4%	146,111,558	344,448,980		490,560,538
	10	TOTAL TANGIBLE (sum of entries on line 7, 8, and 0)	225,154,578	478,730,230		703,884,808
	11A	EXEMPTIONS: A. Homeowners' property tax exemption (7,000 max)	7,000	73,600		80,600
	11B	B. All other enrolled exemptions	1,661,543	5,209,951		6,871,494
	12	NET TOTAL TANGIBLE (Line 10 minus line 11B)	223,493,035	473,520,279		697,013,314
T O T A L S	13	LAND (Sum of entries on lines 1 & 7)	1,838,576,906	6,616,980,344		8,459,378,582
	14	IMPROVEMENTS (sum; of entries on line 2 & 8)	2,292,508,501	7,401,033,165		9,693,541,666
	14a	A. Fixtures (sum of entries on lines 2A & 8A)	57,141,473	381,157,074	3,821,332	438,298,547
	15	OTHER TANGIBLE PERSONAL PROPERTY	202,167,131	489,794,783		691,961,914
	16	TOTAL TANGIBLE PERSONAL PROPERTY Or entries on lines 13 thru 15	4,390,394,011	14,888,965,366	3,821,332	19,283,180,709
	17A	EXEMPTIONS: A. Homeowners' (Total of lines 5A & 11A)	57,441,065	258,679,002		316,120,067
	17B	B. All other (Total of lines 5B & 11B)	89,307,990	152,374,451		241,682,441
	18	NET TOTAL TANGIBLE (Line 16 minus line 17B)	4,301,086,021	14,736,590,915	3,821,332	19,041,498,268
	19	GROSS ESCAPES – Excluded from City & column 7 & 8				

Exhibit 1B

SUPPLEMENTAL TAXES

STATE OF CALIFORNIA
BOARD OF EQUALIZATION
AGENCY PLANNING & RESEARCH DIVISION
STATISTICS SECTION**COUNTY 40 COUNTY OF OZ**

Do not include any penalties or interest.

PART A. Supplemental Taxes Billed and/ or Collected during 1999-2000.

LINE NO.	TAX YEAR	BILLED DURING 1999-00	
		NUMBER OF ASSESSMENTS	AMOUNT OF TAX
(1)	(2)	(3)	(4)
1	1983-84		
2	1984-85	2	(19)
3	1985-86		
4	1986-87		
5	1987-88		
6	1988-89		
7	1989-90	1	(46)
8	1990-91	1	(112)
9	1991-92	1	9
10	1992-93	2	3
11	1993-94	6	192
12	1994-95	7	(133)
13	1995-96	31	7,314
14	1996-97	189	9,166
15	1997-98	1,588	273,285
16	1998-99	13,206	4,086,313
17	1999-00	7,446	4,314,565
	TOTAL	22,480	\$8,690,537

TAX YEAR	COLLECTED DURING 1999-00	
	AMOUNT OF TAX	
(5)	(6)	
1983-84		
1984-85	101	
1985-86	481	
1986-87		
1987-88		
1988-89		
1989-90	(46)	
1990-91	(112)	
1991-92	9	
1992-93	3	
1993-94	177	
1994-95	195	
1995-96	7,306	
1996-97	15,991	
1997-98	410,633	
1998-99	4,677,016	
1999-00	2,382,864	
TOTAL	\$7,494,618	

Exhibit 1C

County 40 OZ

Do not include penalties or interest.

PART B. Total Supplemental Taxes Billed and/or Collected, July 1983 through June 2000.

LINE NO.	TAX YEAR	TOTAL BILLED	TOTAL COLLECTED
(1)	(2)	(3)	(4)
1	1983-84	1,950,518	1,860,662
2	1984-85	4,481,919	3,778,321
3	1985-86	4,935,801	4,135,475
4	1986-87	5,738,267	5,089,468
5	1987-88	5,153,579	4,294,942
6	1988-89	6,813,398	6,090,877
7	1989-90	10,260,418	8,756,729
8	1990-91	6,648,730	5,448,940
9	1991-92	3,806,336	3,343,756
10	1992-93	2,823,069	2,484,612
11	1993-94	2,415,450	2,180,852
12	1994-95	2,944,304	2,504,501
13	1995-96	2,604,376	2,287,118
14	1996-97	2,988,052	2,656,079
15	1997-98	5,252,655	4,740,759
16	1998-99	6,831,768	5,962,911
17	1999-2000	4,314,565	2,382,864
	TOTAL	\$79,963,205	\$67,998,866

Exhibit 1D

**Report Of County Auditor To State Controller
2000/2001 Assessed Valuation of School Districts for
Computation of State School Building Aid Loan Payment**

County of: OZ

Please mail report to:
State Controller's Office
Division of Accounting & Reporting
Schools Unit
P.O. Box 942850
Sacramento, CA 94250

		(1)	(2)	(3)	(4)	(5)	
School District	Year	Apportionment Number	Total Net Secured And Unsecured	Homeowner's Property Tax Exemptions	State Assessed Utility Rolls	Total School District Assessed Valuation	Percentage of Change From Prior
Yellow Brick Road High Emerald City Unified		118/10600	160,634	7,000	0	167,634	(2%)
		118/13500	758,104,009	13,511,079	412,202	772,027,290	+12%

Signature: _____

Auditor-Controller _____ Date: _____

Contact Person _____ Phone _____

**California Community Colleges
LOCAL PROPERTY TAX REVENUE FOR
GENERAL OPERATING SUPPORT EXCLUSIVE OF VOTER-APPROVED DEBT**

Actual 1999-00 and Estimated 2000-01

Statutory Reference	Local Property Tax Revenue Exclusive of Voter-Approved Debt	EDP No.	Dollars Only	
			Actual 1999-00	Estimated* 2000-01
	Local Property Tax Revenues	////////	////////	////////
R&TCS 97	Secured Roll.....	161	\$ _____	\$ _____
	Supplemental Roll.....	161	\$ _____	\$ _____
R&TCS 97	Unsecured Roll.....	162	\$ _____	\$ _____
	Prior Year's (Delinquencies and/or Released Impounds)**	165	\$ _____	\$ _____
	Revenues	////////	////////	////////
R&TCS 38905.1 GCS 16120	Timber Yield Tax.....	135	\$ _____	\$ _____
	Homeowner Property Tax Relief	132	\$ _____	\$ _____
	Other Subventions Williamson Land Act, Wines, Motion Pictures, Severance Aid	133	\$ _____	\$ _____
R&TCS 97.3	Education Revenue Augmentation Fund	////////	////////	////////
	Total Property Tax Revenues	////////	\$ _____	\$ _____
	Impound of Property Tax Revenue	////////	////////	////////
	Impounded Revenues		\$ _____	\$ _____
	(Do not include above in Secured, Supplemental or Unsecured Rolls)			
ECS 14240	Impounded Revenues Released **(Also report in "Prior Year" above)			
	For FY _____		\$ _____	\$ _____
	For FY _____		\$ _____	\$ _____
	For FY _____		\$ _____	\$ _____

* Estimated 2000-2001 amounts should be the amount of revenue to be distributed to the community college district by June 30, 2001, or soon enough after the end of the fiscal year to be recorded as 2000-2001 property tax revenue.

I, the County Auditor, hereby certify that the above information is a true and correct statement as shown by the official records of the county.

For supplemental information, contact:

Signature: _____

Name: _____

Typed Name: _____

Title: _____

Date: _____

Phone: () _____

E-Mail: _____

**CALIFORNIA COMMUNITY COLLEGES
EDUCATION REVENUE AUGMENTATION FUND (R&TC 97.3)
2000-01 FISCAL YEAR**

**A. 1992-93 ACTUAL GENERAL PURPOSE PROPERTY TAX DISTRIBUTION
(Used to determine the proportionate shares for K-12 and
community college districts. (R&TC 97.3(d)(1))**

1. Total 1992-93 Actual General Purpose Property
Tax Revenue distributed to all School Districts and
the County Office of Education (as reported on
Taxes Report (J-29) \$ 82,726,347
2. Total 1992-93 Actual Property Tax Revenue
distributed to all Community College Districts
(as reported on CCFS-329s) \$ 12,285,273
3. Total K-14 General Purpose Property Tax
Distribution (Item A.1 + Item A.2) \$ 95,011,620
4. School District and County Office of Education
Proportional Share (Item A.1 divided by Item A.3) \$ 87.06972%
5. Community College Districts' Proportional Share
(Item A.2 divided by Item A.3) \$ 12.93028%

B. 2000-01 EDUCATION REVENUE AUGMENTATION FUND (ERAF) (R&TC 97.3)

1. 2000-01 Total Education Revenue Augmentation Fund \$ 27,284,577
2. School District and County Office of Education Share
(Item B.1 multiplied by Item A.4) (R&TC 97.3(d)(2)) \$ 23,756,605
3. Community College District Share
(Item B.1 multiplied by Item A.5) (R&TC 97.3(d)(3)) \$ 3,527,972

*** Report the amounts estimated to be distributed by June 30, 2001
or soon enough after the end of the fiscal year to be recorded as
2000-01 revenue.**

I, the County Auditor, hereby certify
that the above information is a true
and correct statement as shown by the
official records of the county.

Signature _____

Typed Name _____

Date _____

For Supplemental Information Contact:

Name: _____

Title: _____

Phone: _____ Ext. _____

Email: _____

SEMI ANNUAL SETTLEMENT

Of _____, Treasurer
Of _____, County

With the
STATE OF CALIFORNIA

Period Ending _____, 20____

TO: State Controller's Office
Division of Collections
Bureau of Tax Administration
Attn: Tony Roth
P.O. Box 942850
Sacramento, CA 94250-5873

State Controller's Remittance Advice
(For Use By State Controller)
No. _____ Dated _____

Fees on Redemptions
Of Tax Defaulted and Tax Sold Land

of Redemptions
@\$5per Redemption \$ _____

Fees of Sales

Of Tax Defaulted Land

#of Sales _____
@ \$1.50 per Sale

\$ _____

Sub Total..... \$ _____

Unclaimed Property Fund

Estates of Deceased Person..... \$ _____

Total..... \$ _____

STATE OF CALIFORNIA

SS.

COUNTY OF _____

_____, treasurer of said county,
being first duly sworn, deposes and says that
the books are correct and that all moneys
received for or on account of the State, since
the last settlement, have been duly entered
therein, and correctly set forth in this report.

Treasurer

subscribed and sworn to before me, this

_____, 20____

Auditor

STATE OF CALIFORNIA

SS.

COUNTY OF _____

_____, auditor of said county,
being first duly sworn, deposes, says that
the foregoing exhibit is full, true, and
correct in each particular mentioned
therein and that the amounts received
by _____, treasurer
of the above county for State purposes,
from the _____ day of _____, 20____,
to the _____ day of _____, 20____,
as well as the source from which said
amounts were received, are herein
correctly set forth.

Auditor

Subscribed and sworn to before me, this
_____, 20____

Treasurer

CLAIM FOR REIMBURSEMENT OF PROPERTY TAX LOSS

Exhibit 4A

TO: State Controller's Office
Division of Accounting and Reporting
Accounting Standards Bureau
Cost Plan and Apportionment Section
P.O. Box 942850
Sacramento, CA 94250-5875

I certify that I am the duly qualified and Acting Auditor of the County of Oz;
that the attached statements set forth the amounts of exempt values granted under Sections 3K and
25 of Article XIII of the Constitution for the homeowners' property tax exemption for said County;
that I have correctly computed and shown on the attached statement the total amount of tax loss to
the county resulting from such exemption; and certify under penalty of perjury that I have not
violated any of the provisions of Government Code Section 1090 to 1096, inclusive.

The amount of \$ 3,706,717.31 is hereby claimed from the State for payment of reimbursement of
the tax loss as set forth on the attached schedules.

(Signature) _____
Auditor Signature

Contact Person _____

Date: October 16, 2000

Phone No _____

Number of Exemptions 45,379
(Current year only)

Exhibit 5A

**HOMEOWNERS CLAIM 2000-2001
RECAP**

LOCAL ROLL VALUES

EXTENDED TAX

Secured 2000-2001 Extended Value

AV	316,230,021	\$3,555,975.80

Changes to 1999-00 Secured Roll	1,943.16

Unsecured 2000-2001 Certified Values

AV	80,600	895.47

\$3,558,814.43

SUPPLEMENTAL ROLL

1997-98	\$1,920.33

1998-99	57,305.59

1999-00	88,676.96

\$147,902.88

SUMMARY BY DISTRICT

	<u>LOCAL</u>	<u>SUPPLEMENTAL</u>	<u>TOTAL</u>
County & Library	\$782,751.53	\$37,902.45	\$820,653.98
Cities	265,617.86	10,446.72	276,064.58
Schools	1,980,313.04	77,243.64	2,057,556.68
Spec. Dist.	135,986.86	5,341.89	141,328.75
D.S. Bonds	<u>394,145.14</u>	<u>16,968.18</u>	<u>411,113.32</u>
	<u>\$3,558,814.43</u>	<u>\$147,902.88</u>	<u>\$3,706,717.31*</u>

*Supporting data available for audit purposes.

COUNTY: COUNTY OF OZ
2012/2013 Tax Collections to Date
PERIOD: P1

District	Secured 8041	Unsecured 8042	HOPTR 8021	In Lieu 8029	Timber 8022	Timber 8043	Supplemental 8044	ERAF 8045	RDA-Prop Taxes 8047	RPTTF 8047	Total Collections	Other Funds RDA- Facilities 8625
Capt. Hook Elem	271,341.33	13,461.63	4,532.86	0.00	329.73	449.22	831.22	(61,307.60)	0.00	0.00	229,638.39	0.00
Lion Elem	122,197.67	5,969.70	2,010.14	0.00	3,457.03	192.88	263.16	(26,673.68)	0.00	0.00	107,416.90	0.00
Munchkin Elem	908,913.55	31,472.80	10,597.68	0.00	5,623.69	1,069.76	4,572.94	(143,418.49)	0.00	0.00	818,831.93	0.00
Peter Pan Elem	287,123.54	14,260.98	4,802.02	0.00	0.00	469.90	2,049.99	(60,427.55)	0.00	0.00	248,278.88	0.00
Wizzard Elem	2,820,413.70	196,031.02	66,008.60	2,370.36	8,050.36	6,721.83	17,906.27	(521,579.01)	36,125.42	1,064,534.84	3,696,583.39	47,304.89
Pirate Elem	1,259,279.32	61,755.04	20,794.48	0.00	2,821.18	2,210.30	8,982.43	(272,829.31)	0.00	0.00	1,083,013.44	0.00
Flying Elem	445,860.85	22,161.06	7,462.20	0.00	3,465.13	700.39	125.98	0.00	0.00	0.00	479,775.61	0.00
Fantasy Elem	929,752.79	67,414.18	21,344.28	1,444.16	2,926.67	2,267.10	9,007.27	(149,956.39)	13,672.74	295,293.03	1,193,165.83	17,904.21
Total Elementary	7,044,882.75	412,526.41	137,552.26	3,814.52	26,673.79	14,081.38	43,739.26	(1,236,192.03)	49,798.16	1,359,827.87	7,856,704.37	65,209.10
Monkey High	6,040,447.77	360,805.91	120,136.68	3,499.63	33,900.49	11,962.80	18,712.54	(1,216,093.61)	47,108.00	1,378,119.69	6,798,599.90	61,686.83
Total High	6,040,447.77	360,805.91	120,136.68	3,499.63	33,900.49	11,962.80	18,712.54	(1,216,093.61)	47,108.00	1,378,119.69	6,798,599.90	61,686.83
Greatest Unified	2,173,028.12	129,524.50	36,257.20	1,877.03	0.00	3,242.10	3,785.40	(455,528.54)	0.00	0.00	1,892,185.81	0.00
Scarecrow Unified	30,607,524.55	2,272,000.48	755,728.66	17,218.34	5,909.11	72,879.00	92,027.89	(10,086,697.57)	558,411.42	2,004,897.25	26,299,899.13	3,160,613.35
Oz City Unified	3,071,353.50	162,053.39	51,264.62	0.00	0.00	4,773.45	7,074.05	(666,496.40)	0.00	0.00	2,630,022.61	0.00
Tin Man Unified	3,509,345.30	188,093.35	63,159.46	13,120.65	0.00	6,086.21	14,013.65	(820,928.31)	23,032.27	2,748.92	2,998,671.50	30,159.97
Alligator Unified	10,065,270.89	508,639.49	170,519.38	0.00	40,175.11	16,794.93	29,379.99	(2,317,756.67)	14,282.19	12,820.25	8,540,125.56	18,701.91
Total Unified	49,426,522.36	3,260,311.21	1,076,929.32	32,216.02	46,084.22	103,775.69	146,280.98	(14,347,407.49)	595,725.88	2,020,466.42	42,360,904.61	3,209,475.23
CSSF	6,592,026.92	412,990.04	139,064.20	3,871.03	7,696.56	13,588.99	26,507.04	107,164.79	30,091.68	481,002.70	7,814,003.95	351,512.85
County Total	69,103,879.80	4,446,633.57	1,473,682.46	43,401.20	114,355.06	143,408.86	235,239.82	(16,692,528.34)	722,723.72	5,239,416.68	64,830,212.83	3,687,884.01
Oz County College	10,481,277.43	657,263.47	221,317.26	6,178.31	29,001.72	21,626.67	42,185.35	(2,901,218.69)	120,068.74	767,656.50	9,445,356.76	887,102.18
Total	79,585,157.23	5,103,897.04	1,694,999.72	49,579.51	143,356.78	165,035.53	277,425.17	(19,593,747.03)	842,792.46	6,007,073.18	74,275,569.59	4,574,986.19

California **ANNUAL REPORT OF PROPERTY TAXES**
(Do not include supplemental roll)

COUNTY OF OZ

Fiscal Year 2013-2014

PART I NET TAXABLE VALUE				PART II NET TAXABLE VALUE		TAX RATE	AMOUNT OF TAXES LEVIED	UNITARY & OPERATING NON-UNITARY TAXES LEVIED
PROPERTY TAX ALLOCATION	BY ROLL	AMOUNT OF	TAX RATE	AMOUNT OF TAXES LEVIED	VOTER APPROVED DEBT	BY ROLL	AMOUNT	
1. Countywide	Secured	28,095,320,224	1.00%	\$280,953,202	8. Countywide	Secured		
	Unsecured	1,906,107,915	1.00%	\$19,061,079		Unsecured		
2. ADD: Homeowners Property Tax Reimbursement				4,354,655		HOPTR		
3. LESS: R & T Code 100 (Specify Agency)					9. Total Countywide			
4. LESS: R & T Code 100 (Specify Agency)					10. Less Than Countywide	Secured		9,560,905
5. LESS: R & T Code 100 (Specify Agency)						Unsecured		616,504
6. LESS: R & T Code 100 (Specify Agency)						HOPTR		111,764
7. TOTAL (Lines 1 thru 6)				\$304,368,936	11. TOTAL LESS THAN COUNTYWIDE			10,289,173
								373,314

PART III ALLOCATION OF PROPERTY TAXES (Totals only)	TAX ALLOCATION				TAXES LEVIED (DEBIT ONLY)			
	A SECURED	B UNSECURED	C HOMEOWNERS	D ERAF *	E SECURED	F UNSECURED	G HOMEOWNERS	H UNITARY & OPERATING NON-UNITARY
12. Countywide	\$56,839,033	\$3,467,694	\$910,674					
13. Less Than Countywide (Specify Fund)								
14. Less Than Countywide (Specify Fund)								
15. Cities (LGRS 201)	14,067,327	805,942	235,223		5,199	1,575	499	3,948
16. Redevelopment (LGRS 202)	10,892,318	1,804,442	25,743		17,237	3,371		0
17. School Districts (LGRS 203)	131,473,895	8,375,014	2,105,869		8,497,336	586,795	110,394	218,573
18. Special District (LGRS 204)	31,549,607	2,114,029	499,223		1,041,133	24,763	871	150,793
19. Special District (LGRS 205)								
20. ERAF* (LGRS 206)	36,131,022	2,493,958	577,923	39,202,903				
21. TOTAL (Lines 12 thru 20)	\$280,953,202	\$19,061,079	\$4,354,655	\$39,202,903	\$9,560,905	\$616,504	\$111,764	\$373,314

*Educational Revenue Augmentation Fund

Exhibit 7

REFERENCE ITEMS
Chapter F-7

AUDIT REVIEW CONFERENCE PROCESS

INTRODUCTION

Legislation SB 418 (Government Code §12468) was enacted in 1985 requiring the State Controller to audit the counties' **apportionment** and allocation methods. GC §12410 also indicates that State Controller shall audit all claims against the state, and may audit the disbursement of any state money, for correctness, legality, and for sufficient provisions of law for payment.

MAIN TOPIC

The State Controller shall regularly audit the apportionment and allocation by counties of property tax revenue pursuant to the GC §12468. The Controller shall annually submit a report to the Legislature containing a description of the audit findings for each county that was audited during the prior year. The report shall contain recommendations to the Auditor-Controller for legislation to correct any errors in the apportionment and allocation of property tax revenues that were determined as a result of these audits.

In August of 2001, the legislature passed AB169 adding R&T Code §96.1(c) to Code. The new paragraphs primarily pertain to roll corrections resulting from State Controller audit findings or discovery by an entity.

If corrections must be made to allocations, the cumulative adjustments may not exceed 1% of the current year's opening levy of 1% ad valorem secured tax. The reallocation shall be spread equally over the three **fiscal years** following the audit finding or discovery (or as negotiated with the Controller in the case of reallocation to **ERAF** or school entities), and the erroneous apportionment method corrected in the fiscal year immediately following discovery. Once tax allocations have been audited and all findings have been resolved, the allocations shall be considered correct and not subject to future audits.

This legislation also recognized, as authoritative, the guidelines for the implementation of new legislation prepared by the State Association of Auditors and adopted as regulations by either the Controller or the Department of Finance. An auditor may choose not to follow the guidelines but must justify the decision to the State Controller to receive the benefit of the provisions of the legislation.

METHODOLOGY

AUDIT SCHEDULE

The following is the required schedule:

- a) For counties with a population in excess of 5,000,000 the audit shall be performed annually.
- b) For counties with a population greater than 200,000 and less than 5,000,000, the audit shall be performed on a three-year cycle.
- c) For counties with a population of 200,000 or less, the audit shall be performed on a five-year cycle.
- d) The Controller may, at his or her discretion, perform audits more frequently than provided in subdivisions (b) and (c).

AUDIT PROCESS

Notification of the Audit

A letter from the State Controller's Office notifies the County of its intention to perform a compliance audit of the County's property tax apportionment and allocation for a certain period (See Exhibit 1). The letter may include the following:

- Name of the Auditors conducting the audit,
- The audit starting date and its duration,
- Availability of documents such as general ledger, reports, or working papers related to:
 - Prior Audit Findings;
 - **Annual Tax Increment;**
 - **Jurisdictional Changes;**
 - **Supplemental Roll;**
 - **Redevelopment Project Area;**
 - **Unitary** Roll;
 - Property Tax Administrative Costs;
 - **Educational Revenue Augmentation Fund;**
 - **Tax Equity Allocation;**
 - Others areas as determined by the State Controller.

Upon receiving the letter, the Auditor-Controller shall acknowledge the notification of the incoming audit and confirm the starting date.

Entrance conference

It is customary that the State Auditor would hold an entrance conference with the County Auditor-Controller before starting the audit. An agenda (Exhibit 2) may include the following:

- The audit - objective, scope, methodology, audit authority, representation letters, duration, and county liaison;
- Records needed to start the audit;
- Report progress;
- Preliminary questions;

- Any other items to be included in the audit;
- County representative's acknowledgement of the entrance conference;
- Attendees.

Auditing

The State Auditors start the audit. It is recommended that designated staff who are knowledgeable in the County's property tax system be available for the Auditors. During this time, the Auditors may discuss the potential finding or concerns with the staff.

Exit conference

Upon completion of the audit, the State Auditors will request an exit conference with the County Auditor-Controller. An agenda for the conference will be prepared by the State Auditors (Exhibit 3). An agenda would include the following:

- Signature of county representative;
- Attendees;
- Type of audit;
- Objective of the audit;
- Results of audit;
- Noted areas for discussion;
- Comment by auditee;
- Preliminary audit finding(s);
- Approximate release date of draft report.

Draft report

The draft report (Exhibit 4) would incorporate all the information, disclosures and findings during the audit. The draft report is not a public document, thus information on the draft report is considered confidential.

Auditee response

Upon receiving the draft report, the Auditor-Controller has 15 days to comment on the report. The comments may include an agreement or disagreement on the findings. Attached is an example of auditee's response (Exhibit 5).

Final Report

Approximately 60 days after the issuing of the draft report, a final audit report will be issued. The final report (Exhibit 6) may include the following:

- Summary of the audit;
- Background;
- Objective, scope, and methodology;
- Conclusion;
- Views of responsible official;
- Findings, recommendations, and auditee's response;

- Observation and auditee's response;
- Exhibit - auditee's response to the draft report.

DISPUTED FINDING

The County may request its own County Counsel's assistance in responding to the disputed finding.

APPEALS PROCESS

There is no appeal process in regard to the disputed findings, however the County can request an opinion from the State Attorney General or seek legislative remedies.



THE HONORABLE
Controller of the State of California

December 23, 1996

Auditor-Controller
County of Oz
Palace of Oz
Oz, CA

Dear Auditor-Controller:

SUBJECT: PROPERTY TAX AUDIT

In accordance with Government Code Section 12468, a compliance audit will be performed of the County of Oz's property tax apportionment and allocation system for the period July 1, 1988, through June 30, 1996.

Senior Auditor and Staff are scheduled to start the audit on December 31, 1996. It is anticipated that the field work will require approximately four weeks. We would appreciate your making work space and the appropriate contact personnel available to them at that time.

To expedite our completion of the audit, please have the following general ledgers, subsidiary ledgers, reports, and/or working papers available:

Prior Audit Findings

- All working papers, notes, and other records related to the correction or resolution of exceptions noted in our prior audit of the County of Oz's property tax apportionment system for the period July 1, 1978, through June 30, 1988.

Annual Tax Increment

- July 1, 1988, through June 30, 1996, revenue for all jurisdictions (totals and by tax rate area)
- Assessed valuation for July 1, 1988, through June 30, 1996 (totals and by tax rate area)

EXHIBIT 1

Jurisdictional Changes

- Changes of jurisdictional responsibility (Revenue and Taxation Code Section 99 for all years); samples will be selected from the changes occurring since July 1, 1988

Supplemental Roll

- Supplemental assessments for the July 1, 1988, through June 30, 1996, roll and fiscal years (collections, apportionments—totals, and by jurisdiction and administrative reimbursements)
- Documentation of administrative costs justification (after January 1, 1987)

Redevelopment Agencies (RDA)

- All records pertaining to the computation and allocation of property tax revenues to redevelopment projects

Unitary Roll

- All records pertaining to the computation, collection, and allocation of the July 1, 1988, through June 30, 1996, state-assessed unitary and operating nonunitary property within the county-wide tax rate area

Property Tax Administrative Costs (SB2557)

- All records pertaining to the computations and collection of property tax administrative costs (Revenue and Taxation Code Section 95.2)

Educational Revenue Augmentation Fund (ERAF)

- All records pertaining to the computations of the ERAF shift for the fiscal years July 1, 1992, through June 30, 1996 (Revenue and Taxation Code Sections 97.1 through 97.3)

If you have any questions, please contact Senior Auditor at (916) 555-1111.

Sincerely,

Chief
Compliance Audits Branch
Division of Audits

EXHIBIT 1

COUNTY OF OZ
PROPERTY TAX AUDIT
ENTRANCE CONFERENCE NARRATIVE AND AGENDA
JULY 1, 1988, THROUGH JUNE 30, 1996
S01-PTX-000

W/P NO. 2G 1/
PREPARED BY:
DATE:
REVIEWED BY:

A. THE AUDIT

1. OBJECTIVE: To determine whether or not the county accurately distributed property tax revenues to local government agencies and school entities in accordance with the requirements of the *Revenue and Taxation Code*, the *Health and Safety Code*, and the *Government Code*, as applicable.
2. SCOPE: The scope of the audit is the property tax revenue allocation, apportionment, and reporting systems of the County Auditor-Controller. The scope will also include an assessment of the efforts to address any findings noted in the prior audit. The audit will cover the period of July 1, 1988, through June 30, 1996. We are not auditing the county's financial statements. Accordingly, the SCO will consider the county's internal control structure only to the extent necessary to plan the audit. The audit is not intended to result in an opinion as to the validity or completeness of the property tax revenue data.
3. METHODOLOGY: Review and analyze the methods of property tax revenue allocation and apportionment to assess compliance with California codes governing property tax revenue distribution. Where the review and analysis indicates distribution errors the SCO may quantify the amount of the error.
4. AUDIT AUTHORITY: Government Code Section 12468 requires the SCO to audit the allocation of property taxes on a pre-determined schedule and report the results of the audits to the Legislature. Government Code Section 12410 provides the SCO with general audit authority to ensure that state funds are properly safeguarded.
5. REPRESENTATION LETTERS: The County Auditor-Controller will be asked to provide a management representation letter as part of the audit procedures. The letter should be dated as of the date of the exit conference and can be mailed to the office. If a letter is not provided, it may be considered a scope limitation on the audit and will be noted in the report.
6. INTERIM AND EXIT CONFERENCES: As findings are identified, they will be discussed. At the end of the audit, an exit conference will be held to discuss all findings identified during the audit.
7. DURATION: It is anticipated the audit will take approximately 6 weeks.
8. LIAISON: To expedite the audit process it would be helpful if a county employee could be designated as liaison for the audit.

B. RECORDS NEEDED TO START THE AUDIT

1. Documentation addressing prior audit findings.

EXHIBIT 2

2. Departmental organization charts and lists of key personnel with title and phone numbers.
3. Independent auditor audit reports for the years under audit.
4. Any property tax related audit reports, other property tax related internal reports, and relevant property tax related correspondence.

C. REPORT PROCESS

1. A draft audit report will be issued approximately 90 days after the exit conference. The SCO considers the draft audit report confidential. Access to and distribution of the draft audit report should be limited to those referenced in the report.
2. There is a 15-day response time to the draft audit report from the date of receipt. After that time the report will be issued final without the draft audit process.

D. PRELIMINARY QUESTIONS

1. Which model was used to establish the current property tax system?
☐ Oz ☐ Castle ☐ Other _____
2. Who is currently performing the property tax apportionment? _____
3. Is this the same person that established the system? ☐ Yes ☐ No
4. Are property taxes apportioned and allocated using a computerized system?
☐ Yes ☐ No ☐ PC ☐ Mainframe ☐ Both
5. Are there any Redevelopment Agencies? ☐ Yes ☐ No
 Are there any new projects during the audit period? ☐ Yes ☐ No
6. Are there lawsuits pending regarding property tax allocations? ☐ Yes ☐ No
7. Is there a master tax agreement for the reallocation of property taxes when there is a jurisdictional change? ☐ Yes ☐ No
8. Has the county adopted a method to identify the actual administrative costs associated with the supplemental assessment of property taxes in order to determine eligibility for the 5% administrative charge? ☐ Yes ☐ No
9. Is the county a "Teeter" county? ☐ Yes ☐ No
 If yes, are the records available for the credit computation? ☐ Yes ☐ No
10. Approximately how many tax rate areas are there in the county? _____
11. When a district is dissolved, what adjustments are made to the apportionment factors?

EXHIBIT 2

E. OTHER QUESTIONS/DISCUSSION _____ ATTACHMENT A _____ NONE

F. ACKNOWLEDGEMENT OF DISCUSSION

The above items were discussed and are understood.

COUNTY REPRESENTATIVE

DATE

G. PARTICIPANTS

NAME

AGENCY

TITLE

QUESTIONS AND DISCUSSION

COUNTY OF OZ
PROPERTY TAX AUDIT
EXIT CONFERENCE
FISCAL YEAR 1988/89 THROUGH 1995/96
S01-PTX-0004

WP #
PREP
REVIEW

PAGE
DATE
DATE:

DATE OF EXIT CONFERENCE: January 24, 1997

SIGNATURE OF COUNTY REPRESENTATIVE:

PERSONS ATTENDED:

TITLE

TYPE OF AUDIT:

Financial related audit to include a compliance opinion on the procedures in use by the county in the apportionment and allocation of Property Tax revenues.

OBJECTIVES OF AUDIT:

To determine if the county has complied with the requirements of the Revenue and Taxation Code, Health and Safety Code, and the Government Code in its apportionment and allocation of revenues derived from the Property Tax.

RESULTS OF AUDIT:

Opinion: This audit will result in the rendering of a compliance opinion, subject to review and approval by my audit manager.

THE FOLLOWING AREAS WERE NOTED FOR DISCUSSION:

Prior Audit Findings (FY 1983/84 through FY 1987/88)

All prior audit findings were followed up and it was found that Oz County has resolved all issues from the prior audit.

Jurisdictional Changes:

Assessed Value was shifted from one TRA to another within the City of Emerald in error. Two parcels were merged together from two different TRA's causing the AV to be improperly shifted. The financial impact is minimal. However, the county must correct the error and assure that AV is accounted for properly. The Assessor's Office is aware of the problem and has stated that they will correct it. This issue will not be included in the audit report but will be monitored closely in the next audit.

EXHIBIT 3

Educational Revenue Augmentation Fund (ERAF)

The county is not computing a FY 93/94 ERAF shift for the Tinman Fire Protection District due to a multi-county status exemption. The exemption is based on the assumption that Tinman Fire was qualified as a multi-county district on July 1, 1979. Due to the fact that the SCO Legal Office is currently looking into this issue, it will be listed as an Observation in the audit report until a legal opinion is given.

COMMENTS BY AUDITEE:

**PRELIMINARY AUDIT FINDINGS, PENDING REVIEW AND APPROVAL BY SUPERVISOR
AND/OR AUDIT MANAGER, ACCEPTED BY AUDITEE:**

☐ YES ☐ NO

APPROXIMATE RELEASE DATE OF DRAFT REPORT: August 20, 1997

EXHIBIT 3



**THE HONORABLE
Controller of the State of California**

September 25, 1997

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

Auditor-Controller
County of Oz
Palace of Oz
Oz, California

Dear Auditor-Controller:

The following is a draft report on the methods employed by Oz County to apportion and allocate property tax revenues for the period of July 1, 1988, through June 30, 1996. The audit was conducted pursuant to the requirements of Government Code Section 12468.

Within 15 days of receiving this letter, please forward to us any and all comments concerning the draft report. In particular, your comments should address the accuracy of the information presented, and any additional supporting documentation should also be submitted. Your response should be sent to the attention of Great Humbug at the State Controller's Office, Division of Audits, Post Office Box 54321, Oz, CA. If your comments are not received within the specified time, the report will be issued as final.

This office specifically reserves the right to modify this report based on your comments and/or any further information that may have developed in the course of completing this audit. In addition, the final report may incorporate your comments.

This draft audit report is not a public document. As such, it is considered confidential and access to and distribution of this draft report should be limited to those addressed in this letter. This restriction does not apply to the final report which, when issued, is a matter of public record.

If you have any questions, please call Audit Supervisor at (916) 555-1222.

Sincerely,

Chief
Compliance Audits Bureau
Division of Audits

EXHIBIT 4

OZ COUNTY

Audit Report

PROPERTY TAX APPORTIONMENT AND ALLOCATION SYSTEM

July 1, 1988, through June 30, 1996



**THE HONORABLE
California State Controller**

September 1997

EXHIBIT 4

Table of Contents

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Findings and Recommendations	5
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Audit Report**Summary**

The State Controller's Office (SCO) audited the methods employed by Oz County to apportion and allocate property tax revenues for the period of July 1, 1988, through June 30, 1996.

The audit disclosed that the county did not comply with California statutes in the following instances:

- The property tax adjustments for a city annexation were not made in accordance with the jurisdictional change documents;
- Supplemental revenues were not apportioned to the local jurisdictions and schools within the time frame required in the Revenue and Taxation Code;
- The county did not compute unitary and operating nonunitary property tax allocations according to the guidelines published by the Accounting Standards and Procedures Committee and the State Controller's interpretation of the Revenue and Taxation Code; and
- The county did not compute Educational Revenue Augmentation Fund (ERAF) contributions for the county library district in FY 1992-93 and FY 1993-94.

The audit identifies procedural changes necessary to ensure that the county complies with the legislative requirements for the apportionment and allocation of property tax revenues.

Background

After the passage of Proposition 13 in 1978, the California State Legislature enacted new methods for allocating and apportioning property tax revenues to local government agencies and public schools. The main objective was to provide local agencies with a property tax base that would grow as assessed property values increase. These methods have been further refined in subsequent laws passed by the Legislature.

One key law was Assembly Bill 8, which established the method of allocating property taxes for FY 1979-80 (base-year) and subsequent fiscal years. The methodology is commonly referred to as the AB 8 process or the AB 8 system.

The property tax revenues local governments receive each fiscal year are based on the amount received the prior year plus a share of the property tax growth within their boundaries. Property tax revenues are then apportioned and allocated to local agencies and schools using prescribed formulas and methods defined in the Revenue and Taxation Code.

The AB 8 process involves several steps, including the transfer of revenues from schools to local agencies (AB 8 shift) and the development of the tax rate area annual tax increment growth factors (ATI factors), which determine the amount of property tax revenues to be allocated to each entity (local agency and school). The total amount to be allocated to each entity is then divided by the total amount to be allocated to all entities to determine the AB 8 factor (percentage share) for each entity for the year.

The AB 8 factors are computed each year for all entities using the revenue amounts established in the prior year. These amounts are adjusted for growth annually using ATI factors.

Revenues generated by the different types of property tax are apportioned and allocated to local agencies and schools using prescribed formulas and methods as defined in the Revenue and Taxation Code. Taxable property includes land, improvements, and other properties that are accounted for on the property tax rolls that are maintained primarily by the county assessor. Tax rolls contain an entry for each parcel of land, including parcel number, owner's name, and value. The types of property tax rolls are:

Secured Roll – Property that, in the opinion of the assessor, has sufficient value to guarantee payment of the tax levies and that, if unpaid, can be satisfied by the sale of the property by the tax collector.

Unsecured Roll – Property that, in the opinion of the assessor, does not constitute sufficient "permanence," or have other intrinsic qualities to guarantee payment of taxes levied against it.

State-Assessed Roll – Utility properties, composed of unitary and nonunitary value, assessed by the State Board of Equalization.

Supplemental Roll – Property that has been reassessed due to a change in ownership or the completion of new construction, and the resulting change in assessed value is not reflected in other tax rolls.

To mitigate problems associated with the apportionment and allocation of property taxes, legislation (SB 418) was enacted in 1985 requiring the State Controller to audit the counties' apportionment and allocation methods and report the results to the California State Legislature.

**Objective,
Scope, And
Methodology**

The objective of the audit was to review the county's apportionment and allocation of property tax revenues to local government agencies and public schools within its jurisdiction in order to determine whether or not the county complied with Revenue and Taxation Code requirements.

In order to meet the objective, the SCO auditors reviewed the systems for apportioning and allocation property tax revenues used by the county auditor and the subsystems used by the tax collector and assessor.

The SCO auditors performed the following procedures:

- Performed tests to determine if any incorrect apportionment and allocation of property tax existed;
- Interviewed key personnel and reviewed supporting documentation to gain an understanding of the property tax apportionment and allocation process;
- Review apportionment and allocation reports prepared by the county that show the computations used by the county to develop the property tax distribution factors;
- Reviewed tax rate area (TRA) reports to verify that the annual tax increment was computed properly;
- Reviewed county unitary and operating nonunitary reports and Board of Equalization reports that trace the computations used by the county to develop the unitary and operating nonunitary property tax distribution factors;
- Reviewed redevelopment agency (RDA) reports prepared by the county that trace the computations used by the county to develop the project base amount and the tax increment distributed to the RDA;
- Reviewed property tax administration cost reports prepared by the county that trace county administrative costs associated with procedures used for apportioning and allocating property tax to local government agencies and school districts; and
- Reviewed Educational Revenue Augmentation Fund (ERAF) reports prepared by the county that trace the computations used by the county to determine the shift of property taxes from the local agencies to the ERAF, and subsequently, to public schools.

The audit was performed in accordance with *Government Auditing Standards*, issued by the Comptroller General Wizard, and covered the period of July 1, 1988, through June 30, 1996. However, the SCO did not audit the county's financial statements. The scope of the audit was limited to the following:

- Reviewing operational procedures and significant applicable controls over the apportionment and allocation computation process;
- Examining selected property tax apportionment and allocation records; and
- Reviewing related property tax revenue data used to determine the apportionment and allocation computation process.

The review of the internal control structure was limited to gaining an understanding of the transaction flow in order to develop appropriate auditing procedures. The auditors did not evaluate the effectiveness of the entire internal control structure.

In addition, the auditors tested transactions used to apportion and allocate property taxes and any other procedures that they deemed necessary. This report relates solely to the method used by the county for the apportionment and allocation of property taxes.

Conclusion

The audit disclosed that, except for the items discussed in the Findings and Recommendations section, which must be corrected, Oz County complied with state statutes for the apportionment and allocation of property tax revenues for the period of July 1, 1988, through June 30, 1996. The audit identifies procedural changes necessary to ensure that the county complies with the legislative requirements for the apportionment and allocation of property tax revenues.

Chief
Division of Audits

February 11, 1997

Bureau Chief
Audit Supervisor
Telephone: (916) 555-1222

Audit Staff: Senior Auditor
Staff

Findings and Recommendations

FINDING 1 – Jurisdictional changes

Property tax adjustments were not made in accordance with jurisdictional change documents.

The legal requirements for jurisdictional changes are found in Revenue and Taxation Code Section 99. A jurisdictional change involves a change in organization or boundaries of local government agencies and school districts. Normally, these are service area or responsibility changes between the local jurisdictions. As part of the jurisdictional change, the local government agencies are required to negotiate any exchange of base year property tax revenue and annual property tax revenue increase. After the jurisdictional change, the local agency whose responsibility increased receives additional annual tax revenue, and the base property tax revenues are adjusted according to the negotiated agreements.

The county computed annual tax increment factor changes for the City of Emerald “Poppyfield Creek” annexation, but the transfer of assessed value and annual tax increment factors to the new tax rate area was not completed. This was due to an oversight by the county.

Recommendation

The county staff corrected the transfer of assessed value and annual tax increment factors to the new tax rate area during the field work portion of the audit.

The county should reconcile jurisdictional changes to the supporting documentation, such as resolutions and negotiated agreements.

FINDING 2 Educational Revenue Augmentation Fund

The county inaccurately computed the amount of property tax revenues to be shifted to the Educational Revenue Augmentation Fund (ERAF).

Requirements for the local agency shift of property tax revenues to the Educational Revenue Augmentation Fund (ERAF) are found in Revenue and Taxation Code Sections 97.1 through 97.3. Beginning in FY 1992-93, each local agency was required to shift an amount of property tax revenues to ERAF using formulas detailed in the code. The property tax revenues in ERAF are subsequently allocated to the public schools using factors supplied by the county superintendent of schools.

Revenue and Taxation Code Section 95 (m) defines a special district in this manner:

. . . any special district authorized to levy a property tax by the statute under which the district was formed shall be considered a special district. Additionally, a county free library established pursuant to Article I of Chapter 6 of Part II of Division 1 of the Education code, and for which a property tax was levied in the 1977-78 fiscal year, shall be considered a special district.

It was discovered that the county did not consider the county library as a special district; therefore, it did not shift any funds to ERAF. This resulted in ERAF being underfunded by \$489,761 in FY 1992-93 and \$507,329 in FY 1993-94. Also, since the county did not consider the library as a special district, it transferred funds from the library to the general fund to fund library and general purpose expenditures.

The State Controller's legal advisor has opined that Revenue and Taxation Code Section 95 (m) does include the county library as a special district, and the county library is required to make an ERAF shift for FY 1992-93 and FY 1993-94.

Recommendation

The county should transfer \$997,090 from the library fund to ERAF. Also, the county should reimburse the library fund for all transfers to the general fund that were not used to fund library expenditures.

In August 1997, the Legislature enacted AB 1589 which amended provisions of Revenue and Taxation Code Section 97.37. The SCO legal staff is reviewing the amendments. Depending upon the results of the review, the county could incur an additional liability to the ERAF for fiscal years after 1993-94. If an additional liability is incurred, the county should transfer the additional revenues to the ERAF.

Observation – Prior Audit Findings

Findings noted in the prior audit report dated July 10, 1989, have been satisfactorily resolved by the county.



COUNTY OF OZ
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER
Palace of Oz, Oz, California

October 15, 1997

Audit Supervisor
Compliance Audits Bureau
Division of Audits
State Controller's Office
P. O. Box 54321
Oz, CA

Dear Audit Supervisor:

Enclosed are our responses to your draft audit report on the methods employed by Oz County to apportion and allocate property tax revenue for the period of July 1, 1988, through June 30, 1996. On the finding with which we disagree, Finding #2 - Educational Revenue Augmentation Fund, we hope that the information provided is sufficient to eliminate the finding. If the finding remains in the final report, Oz County will initiate an appeal.

I appreciate the opportunity to respond to your draft audit report and findings. If you have any further questions, or if our comments require any clarification, please call me at (916) 333-6666.

Sincerely,

Auditor-Controller

Enclosure

**COUNTY OF OZ
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER
RESPONSES TO CALIFORNIA STATE CONTROLLER'S
DRAFT AUDIT REPORT
PROPERTY TAX APPORTIONMENT AND ALLOCATION SYSTEM
JULY 1, 1988, THROUGH JUNE 30, 1996**

FINDINGS:

1. Jurisdictional Changes:

The County concurs with this finding. We have already implemented your recommendation and corrected the transfer of assessed value and annual tax increment factors in the new tax rate area.

2. Educational Revenue Augmentation Fund (ERAF):

The County disputes this finding. SB 431, i.e., Revenue and Taxation Code Section 97.37(c) has been enacted as urgency legislation. It expressly provides that county free libraries from which the auditor did not shift ad valorem property tax revenue to ERAF as of January 1, 1996, and for which a separate property tax rate was levied in the 1977-78 fiscal year, shall not be considered a special district for any purpose in the 1992-93 fiscal year and that portion of the 1993-94 fiscal year for which those revenues were not allocated if such county free library was not actually allocated property tax revenues for the 1992-93 fiscal year and any portion of the 1993-94 fiscal year. Thus, this finding is inconsistent with and contrary to existing law.

In fiscal year 1992-93, Revenue and Taxation Code Section 95(m) did not include county free libraries in the definition of those special districts which were entitled to receive a share of property tax revenues. Nor was the subsequent amendment of Revenue and Taxation Code Section 95(m) to include county free libraries in the definition of special districts, effective January 1, 1994, retrospective in application. SB 431 clearly upholds and confirms the County's transfer of property tax revenues from the library to the General Fund and its decision not to shift any library funds to ERAF.



THE HONORABLE
Controller of the State of California

November 17, 1997

Auditor-Controller
County of Oz
Palace of Oz
Oz, California

Dear Auditor-Controller:

The following is the State Controller's Office final report on the methods employed by Oz County to apportion and allocate property tax revenues for the period of July 1, 1988, through June 30, 1996. The audit was conducted pursuant to the requirements of Government Code Section 12468.

Thank you for the courtesy and cooperation extended to our staff during the audit. If you have any questions, please call Audit Supervisor at (916) 555-1222.

Sincerely,

Chief
Compliance Audits Bureau
Division of Audits

cc: Dorothy, Joint Legislative Budget Committee
Senate Local Government Committee
Senate Revenue and Taxation Committee
Department of Finance

OZ COUNTY

Audit Report

PROPERTY TAX APPORTIONMENT AND ALLOCATION SYSTEM

July 1, 1988, through June 30, 1996



**THE HONORABLE
California State Controller**

November 1997

EXHIBIT 6

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State Controller's Office

Audit Report

Summary

The State Controller's Office (SCO) audited the methods employed by Oz County to apportion and allocate property tax revenues for the period of July 1, 1988, through June 30, 1996.

The audit disclosed that the county did not comply with California statutes in the following instances:

- The property tax adjustments for a city annexation were not made in accordance with the jurisdictional change documents;
- Supplemental revenues were not apportioned to the local jurisdictions and schools within the time frame required in the Revenue and Taxation Code;
- The county did not compute unitary and operating nonunitary property tax allocations according to the guidelines published by the Accounting Standards and Procedures Committee and the State Controller's interpretation of the Revenue and Taxation Code; and
- The county did not compute Educational Revenue Augmentation Fund (ERAF) contributions for the county library district in FY 1992-93 and FY 1993-94.

The audit identifies procedural changes necessary to ensure that the county complies with the legislative requirements for the apportionment and allocation of property tax revenues.

Background

After the passage of Proposition 13 in 1978, the California State Legislature enacted new methods for allocating and apportioning property tax revenues to local government agencies and public schools. The main objective was to provide local agencies with a property tax base that would grow as assessed property values increase. These methods have been further refined in subsequent laws passed by the Legislature.

One key law was Assembly Bill 8, which established the method of allocating property taxes for FY 1979-80 (base-year) and subsequent fiscal years. The methodology is commonly referred to as the AB 8 process or the AB 8 system.

The property tax revenues local governments receive each fiscal year are based on the amount received the prior year plus a share of the property tax growth within their boundaries. Property tax revenues are then apportioned and allocated to local agencies and schools using prescribed formulas and methods defined in the Revenue and Taxation Code.

The AB 8 process involves several steps, including the transfer of revenues from schools to local agencies (AB 8 shift) and the development of the tax rate area annual tax increment growth factors (ATI factors), which determine the amount of property tax revenues to be allocated to each entity (local agency and school). The total amount to be allocated to each entity is then divided by the total amount to be allocated to all entities to determine the AB 8 factor (percentage share) for each entity for the year.

The AB 8 factors are computed each year for all entities using the revenue amounts established in the prior year. These amounts are adjusted for growth annually using ATI factors.

Revenues generated by the different types of property tax are apportioned and allocated to local agencies and schools using prescribed formulas and methods as defined in the Revenue and Taxation Code. Taxable property includes land, improvements, and other properties that are accounted for on the property tax rolls that are maintained primarily by the county assessor. Tax rolls contain an entry for each parcel of land, including parcel number, owner's name, and value. The types of property tax rolls are:

Secured Roll – Property that, in the opinion of the assessor, has sufficient value to guarantee payment of the tax levies and that, if unpaid, can be satisfied by the sale of the property by the tax collector.

Unsecured Roll – Property that, in the opinion of the assessor, does not constitute sufficient "permanence," or have other intrinsic qualities to guarantee payment of taxes levied against it.

State-Assessed Roll – Utility properties, composed of unitary and nonunitary value, assessed by the State Board of Equalization.

Supplemental Roll – Property that has been reassessed due to a change in ownership or the completion of new construction, and the resulting change in assessed value is not reflected in other tax rolls.

To mitigate problems associated with the apportionment and allocation of property taxes, legislation (SB 418) was enacted in 1985 requiring the State Controller to audit the counties' apportionment and allocation methods and report the results to the California State Legislature.

**Objective,
Scope, And
Methodology**

The objective of the audit was to review the county's apportionment and allocation of property tax revenues to local government agencies and public schools within its jurisdiction in order to determine whether or not the county complied with Revenue and Taxation Code requirements.

In order to meet the objective, the SCO auditors reviewed the systems for apportioning and allocation property tax revenues used by the county auditor and the subsystems used by the tax collector and assessor.

The SCO auditors performed the following procedures:

- Performed tests to determine if any incorrect apportionment and allocation of property tax existed;
- Interviewed key personnel and reviewed supporting documentation to gain an understanding of the property tax apportionment and allocation process;
- Review apportionment and allocation reports prepared by the county that show the computations used by the county to develop the property tax distribution factors;
- Reviewed tax rate area (TRA) reports to verify that the annual tax increment was computed properly;
- Reviewed county unitary and operating nonunitary reports and Board of Equalization reports that trace the computations used by the county to develop the unitary and operating nonunitary property tax distribution factors;
- Reviewed redevelopment agency (RDA) reports prepared by the county that trace the computations used by the county to develop the project base amount and the tax increment distributed to the RDA;
- Reviewed property tax administration cost reports prepared by the county that trace county administrative costs associated with procedures used for apportioning and allocating property tax to local government agencies and school districts; and
- Reviewed Educational Revenue Augmentation Fund (ERAF) reports prepared by the county that trace the computations used by the county to determine the shift of property taxes from the local agencies to the ERAF, and subsequently, to public schools.

The audit was performed in accordance *with Government Auditing Standards*, issued by the Comptroller General Wizard, and covered the period of July 1, 1988, through June 30, 1996. However, the SCO did not audit the county's financial statements. The scope of the audit was limited to the following:

- Reviewing operational procedures and significant applicable controls over the apportionment and allocation computation process;

- Examining selected property tax apportionment and allocation records; and
- Reviewing related property tax revenue data used to determine the apportionment and allocation computation process.

The review of the internal control structure was limited to gaining an understanding of the transaction flow in order to develop appropriate auditing procedures. The auditors did not evaluate the effectiveness of the entire internal control structure.

In addition, the auditors tested transactions used to apportion and allocate property taxes and any other procedures that they deemed necessary. This report relates solely to the method used by the county for the apportionment and allocation of property taxes.

Conclusion

The audit disclosed that, except for the items discussed in the Findings and Recommendations section, which must be corrected, Oz County complied with state statutes for the apportionment and allocation of property tax revenues for the period of July 1, 1988, through June 30, 1996. The audit identifies procedural changes necessary to ensure that the county complies with the legislative requirements for the apportionment and allocation of property tax revenues.

**Views of
Responsible
Official**

The SCO issued a draft report on September 25, 1997. The county Auditor-Controller, responded on October 15, 1997 agreeing with Finding 1 and disagreeing with Finding 2. The written response is included as an attachment to this report.

SCO Comments

Finding 2 has been changed from a finding to an observation in this report, pending a review of recent legislation by SCO legal staff

Chief
Division of Audits

February 11, 1997

Bureau Chief
Audit Supervisor
Telephone:

(916) 555-1222

Audit Staff:

Senior Auditor
Staff

Findings and Recommendations

FINDING 1 – Jurisdictional changes

Property tax adjustments were not made in accordance with jurisdictional change documents.

The legal requirements for jurisdictional changes are found in Revenue and Taxation Code Section 99. A jurisdictional change involves a change in organization or boundaries of local government agencies and school districts. Normally, these are service area or responsibility changes between the local jurisdictions. As part of the jurisdictional change, the local government agencies are required to negotiate any exchange of base year property tax revenue and annual property tax revenue increase. After the jurisdictional change, the local agency whose responsibility increased receives additional annual tax revenue, and the base property tax revenues are adjusted according to the negotiated agreements.

The county computed annual tax increment factor changes for the City of Emerald “Poppyfield Creek” annexation, but the transfer of assessed value and annual tax increment factors to the new tax rate area was not completed. This was due to an oversight by the county.

Recommendation

The county staff corrected the transfer of assessed value and annual tax increment factors to the new tax rate area during the field work portion of the audit.

The county should reconcile jurisdictional changes to the supporting documentation, such as resolutions and negotiated agreements.

Auditee's Response

"The County concurs with this finding. We have already implemented your recommendation and corrected the transfer of assessed value and annual tax increment factors in the new tax rate area."

Observations

**Observation 1 -
Prior audit
findings**

Findings noted in the prior audit report dated July 10, 1989, have been satisfactorily resolved by the county.

**Observation 2 -
Educational
Revenue
Augmentation
Fund**

The county inaccurately computed the amount of property tax revenues to be shifted to the Educational Revenue Augmentation Fund (ERAF).

Requirements for the local agency shift of property tax revenues to the Educational Revenue Augmentation Fund (ERAF) are found in Revenue and Taxation Code Sections 97.1 through 97.3. Beginning in FY 1992-93, each local agency was required to shift an amount of property tax revenues to ERAF using formulas detailed in the code. The property tax revenues in ERAF are subsequently allocated to the public schools using factors supplied by the county superintendent of schools.

Revenue and Taxation Code Section 95 (m) defines a special district in this manner:

. . . any special district authorized to levy a property tax by the statute under which the district was formed shall be considered a special district. Additionally, a county free library established pursuant to Article I of Chapter 6 of Part II of Division 1 of the Education code, and for which a property tax was levied in the 1977-78 fiscal year, shall be considered a special district.

It was discovered that the county did not consider the county library as a special district; therefore, it did not shift any funds to ERAF. This resulted in ERAF being underfunded by \$489,761 in FY 1992-93 and \$507,329 in FY 1993-94. Also, since the county did not consider the library as a special district, it transferred funds from the library to the general fund to fund library and general purpose expenditures.

The State Controller's legal advisor has opined that Revenue and Taxation Code Section 95 (m) does include the county library as a special district, and the county library is required to make an ERAF shift for FY 1992-93 and FY 1993-94.

Recommendation

The county should transfer \$997,090 from the library fund to ERAF. Also, the county should reimburse the library fund for all transfers to the general fund that were not used to fund library expenditures.

In August 1997, the Legislature enacted AB 1589 which amended provisions of Revenue and Taxation Code Section 97.37. The SCO legal staff is reviewing the amendments. Depending upon the results of the review, the county could incur an additional liability to the ERAF for fiscal years after 1993-94. If an additional liability is incurred, the county should transfer the additional revenues to the ERAF.

Auditee's Response

The County disputes this finding. SB 431, i.e., Revenue and Taxation Code Section 97.37(c) has been enacted as urgency legislation. It expressly provides that county free libraries from which the auditor did not shift ad valorem property tax revenue to ERAF as of January 1, 1996, and for which a separate property tax rate was levied in the 1977-78 fiscal year, shall not be considered a special district for any purpose in the 1992-93 fiscal year and that portion of the 1993-94 fiscal year for which those revenues were not allocated if such county free library was not actually allocated property tax revenues for the 1992-93 fiscal year and any portion of the 1993-94 fiscal year. Thus, this finding is inconsistent with and contrary to existing law.

In fiscal year 1992-93, Revenue and Taxation Code Section 95(m) did not include county free libraries in the definition of those special districts which were entitled to receive a share of property tax revenues. Nor was the subsequent amendment of Revenue and Taxation Code Section 95(m) to include county free libraries in the definition of special districts, effective January 1, 1994, retrospective in application. SB 431 clearly upholds and confirms the County's transfer of property tax revenues from the library to the General Fund and its decision not to shift any library funds to ERAF.

Auditor's Comments

In August 1997, the Legislature enacted AB 1589, and in October 1997, enacted SB 431, both of which amended provisions of the Revenue and Taxation Code Section 97.37. The SCO legal staff is reviewing the amendments. Depending on the results of the review, the county could incur an additional liability to the county library and ERAF. If an additional liability is incurred, the county should transfer the additional revenues to the county library and ERAF.

Attachment - Auditee's Response to Draft Audit Report

**Reference Items Section
Chapter F-8**

AFFIDAVITS

INTRODUCTION

Pursuant to various California Codes, the Auditor is required to receive and prepare affidavits and/or certifications while performing the property tax functions.

METHODOLOGY

The most common affidavits and/or certifications and their related code sections are listed in the table below. Examples follow, or are referenced. These examples may be changed as needed, unless the forms are prescribed.

Affidavit/ Certification	Code	Exhibit #	Distribution	Statutory Date
Affidavit for completion of the local roll	R&T §616	F8 - 1	Assessor to Auditor	7/1
Affidavit for completion of penalty duties	R&T §2855	C7 - 6	Auditor to Tax Collector	6/1
Accounting for property tax collections	R&T §§2616, §2629, 2857, 4108, GC §27061	F8 - 2	Tax Collector to Auditor	Periodically, 8/10, 10th of the month
Annual value reports to some local agencies	GC §§43093, 51510; WC §§31702.2, 72111; PR §5570; H&S §§6782, 6940.6; PUC §§101268, 10233, 103327, 10334, 12898, 16650	F8 - 3	Auditor to taxing agencies	8/15, 2nd & 3rd Monday/ August
Statement of County Auditor to the Board of Equalization (BOE) and the Controller of the State of California (Form BOE-822 prescribed by State Controller's Office - SCO)	R&T §§1647 - 1649	F8 - 4	Auditor to State Controller (SCO), Board of Equalization (BOE)	8/15
Delivery of secured roll	R&T §2601(a)	F8 - 8	Auditor to Tax Collector	4th Monday/ September

Affidavit/ Certification	Code	Exhibit #	Distribution	Statutory Date
Delivery of unsecured tax bills	Repealed 1/1/94	F8 - 6	Auditor to Tax Collector	No statutory date
Statement of Indebtedness (SOI) (Forms prescribed by SCO)	H&S §33675(b)	See SCO web site: www.sco.ca.gov/ard/local/locprep/redevelop/	Redevelopment Agency(s) to Auditor	Historically 10/1, but no longer required after 2011
Delivery of secured roll or completed secured tax bills	R&T §2601(b) or (c)	F8 - 8	Auditor to Tax Collector	10/16
Annual report of property taxes (Form LGRS200 prescribed by SCO)	GC §29109	F8 - 7	Auditor to State Controller	11/1
Property Tax Loss Reimbursement Claim (Form prescribed by SCO)	GC §29100.6	F6 - 5A, 5B, & 5C	Auditor to State Controller, State Department of Finance	11/1
Notification of cut-off for processing increases to the tax roll	R&T §4836.5	C7 - 2	Tax Collector to Auditor	No statutory date
Order for roll change (Form prescribed by BOE)	R&T §4879	C7 - 3-1 & 3-2	State Board of Equalization to Auditor	No statutory date
Request for cancellation of taxes on government owned property	R&T §4986, §4987	C7 - 4 & 5	Government agency to Auditor	No statutory date
Redevelopment Project Area base year value	H&S §33328, H&S §33328.1	F8 - 9, E2 - A1, A2, B, C, D1, D2, E & F	Auditor to Redevelopment Agency, Affected Taxing Entities and State Department of Finance	Within 60 days of filing with State Board of Equalization
Low and no property tax city eligibility	R&T §11005	F8 - 9	Auditor to City	No statutory date
Redevelopment pass through payments received	Ed Code §42238(h)(6), §84751(e)	F8 - 10	Schools and colleges to Auditor	No statutory date
Notice for claims of tax sold property	R&T §3720	F8 - 11	Auditor to non-revenue taxing agencies	On receipt of the duplicate report of tax sale.
Tax Rate Area (TRA) Change Notice (Form prescribed by BOE)		D2 - C	State Board of Equalization to Auditor	No statutory date

Affidavit/ Certification	Code	Exhibit #	Distribution	Statutory Date
Information shee (Form prescribed by BOE)		F8 - 12	Auditor to State Board of Equalization	No statutory date
Statement of TRA Assignment.		F8-13	Auditor to State Board of Equalization and Local Agency Formation Commission (LAFCO)	No statutory date
Delinquent Roll (or Abstract List) Certification	R&T §2927.3, §2928, §4374, §4377	F8-14	Auditor to Tax Collector	Upon completion
Request for and Authorization of Discharge of Accountability. (Form prescribed by SCO.)	R&T §2611.1 - §2611.4	F8-15	Tax Collector to Board of Supervisors and/or Auditor	No statutory date
Certificate of Bonding Capacity	Ed Code §15102, §15106, §15330, §39319, §39320, H&S §32308, §33670(e)	F8-16	Auditor to District Board	No statutory date
Mandate Reimbursement Process. (Forms prescribed by SCO.)	GC §17560(a) §17560(b); (SB90)	See SCO web site www.sco.ca.gov/ard/local/locreim/index.shtml	Auditor to State Controller	2/15 or 120 days following the issuance date of revised claiming instructions

**LETTERHEAD for
ASSESSOR, COUNTY OF OZ**

ASSESSOR'S AFFIDAVIT

STATE OF CALIFORNIA)
)
COUNTY OF OZ)

"I, _____, Assessor of The County of Oz, swear that between the lien date and July 1, 20YY, I have made diligent inquiry and examination to ascertain all the property within the county subject to assessment by me, and that it has been assessed on the roll, according to the best of my judgment, information, and belief, at its value as required by law; and that I have faithfully complied with all the duties imposed on the Assessor under the revenue laws; and that I have not imposed any unjust or double assessment through malice, ill will, or otherwise; nor allowed anyone to escape a just and equal assessment through favor, reward, or otherwise.

"Deficient reporting of new construction, changes in ownership or the removal of taxable property may result in inaccurate assessments which will be corrected when discovered, to the extent permitted by law."

Date

Assessor, County of Oz

STATE OF CALIFORNIA)
)
COUNTY OF OZ) SS

On July 1, 20YY, before me, _____, personally appeared, _____, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS MY HAND AND OFFICIAL SEAL

Notary Public In and For Said State

Exhibit 1

ACCOUNTING FOR PROPERTY TAX COLLECTIONS
PERIOD: MM/DD/YY through MM/DD/20XX-YY

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

Date

ALL TAXING AGENCIES
COUNTY OF OZ

RE: 20XX/YY annual report to local agencies

Dear Sir or Madam:

Below are the 20XX/YY assessed valuations for your taxing agency:

Secured values	_____
Utility values	_____
Unsecured values	_____
Homeowners Exemption values	_____
Total Valuation	_____

For redevelopment projects, below are the 20XX/YY:

Estimated amount of tax increment:	_____
Prior year allocations (H&S §33672.7)	_____

Please contact our office if we can be of further assistance.

Very truly yours,

AUDITOR, COUNTY OF OZ

By Property Tax Manager

Exhibit 3

County of _____ 60 Oz _____

20XX**STATEMENT**

OF THE

COUNTY AUDITOR

TO THE

BOARD OF EQUALIZATION

AND THE

CONTROLLER

OF THE

STATE OF CALIFORNIA

Pursuant to sections 1647, 1648 and 1649, Revenue and Taxation Code

CERTIFICATION

County of _____, State of California

AUDITOR'S OFFICE, _____, 20XX

I HEREBY CERTIFY, That this is a true and correct statement of the assessed values of property assessed by the County Assessor as of the first day in January of the current year as they appear on the assessment roll of the county as corrected for changes made through July.

County Auditor**SEE BACK OF THIS STATEMENT FOR INSTRUCTIONS**

Note – One copy of this statement is to be filed with the State Board of Equalization, Research & Statistics Section, P.O. Box 942879, Sacramento, California 94279-0067 and one copy with the State Controller's Office, Division of Accounting and Reporting, Local Government Reporting Section—Counties, P.O. Box 942850, Sacramento 94250, not later than August 15, 20XX.

Exhibit 4

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

SECURED TAX ROLL CERTIFICATION

TO: Tax Collector, County of Oz

"I, _____, Auditor of the County of Oz, swear that the tax bills herewith submitted to you are the result of extending the roll prepared by the Assessor of the County of Oz and corrected by the State Board of Equalization and that I have determined the respective sums due as taxes, in the total amount of \$_____ as required by law."

Date

Auditor, County of Oz

Exhibit 5

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

UNSECURED TAX ROLL CERTIFICATION

TO: Tax Collector, County of Oz

"I, _____, Auditor of the County of Oz, swear that the tax bills herewith submitted to you are the result of extending the roll prepared by the Assessor of the County of Oz and that I have determined the respective sums due as taxes, in the total amount of \$ _____ as required by law."

Date

Auditor, County of Oz

NOTE: The code requiring certification of the unsecured roll has been repealed. Check your county's specific procedures as some county auditors elect to make this certification.

Exhibit 6

PROPERTY TAXES ANNUAL REPORT

COVER PAGE

County Of Oz

Fiscal Year: **2003**

ID Number: **XXXXXX00000**

Submitted by:

Signature

Title

Name (Please Print)

Date

Per Government Code section 29109, this report is due November 1 of each year. By resolution of the county Board of Supervisors, this filing date can be extended to December 1.

To file electronically:

1. Complete all forms as necessary.
2. Transmit the completed output file using the File Transfer Protocol (FTP) program or via diskette.
3. Sign this cover page and mail to either address below.

To file a paper report:

1. Complete all forms as necessary.
2. Sign this cover page, and mail completed report to either Address below.

Report will not be considered filed until receipt of this signed cover page.

Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
P. O. Box 942850
Sacramento, CA 94250

Express Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 700
Sacramento, CA 95816

Exhibit 7

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

Date

Executive Director
Emerald City Redevelopment Project
1 Yellow Brick Road
Emerald City, CA 91234

RE: Proposed amendment #1 to the Emerald City Redevelopment Project

Dear Sir or Madam:

Pursuant to Health and Safety Code §33328 we hereby certify to you the following information:

1. Total local 20XX/YY base year assessed valuation of all taxable properties within the proposed project area.
2. The 20XX/YY base year tax revenue allocation within the proposed project area for each taxing agency.
3. The 20XX/YY ad valorem tax revenue allocation for each taxing agency from all properties within its boundary.
4. Estimate of first year increment.
5. Total local 20XX/YY-1 assessed valuation of all taxable properties within the proposed project area.

Please contact our office if we can be of further assistance.

Very truly yours,

AUDITOR, COUNTY OF OZ

By Property Tax Manager

Enclosures

cc: All affected taxing agencies
County Administrative Office
County Counsel

Exhibit 8

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

Date

Treasurer or Finance Director
Emerald City
1 Yellow Brick Road
Emerald City, CA 91234

RE: AB1197 LOW AND NO PROPERTY TAX CITY ELIGIBILITY

Dear Sir or Madam:

Pursuant to revenue and Taxation Code §11005, amended by 1197, Chapter 944, Statutes of 1988, your city has been determined an "eligible city" entitled to share in additional property tax revenue for 20XX/YY. Your cooperation in providing the information requested below is required to determine your city's share of this revenue.

1. City Name: _____
2. The City's 20XX/YY Gann Limit: _____
3. The City's 20XX/YY proceeds of taxes subject to the Gann Limit:

4. Did your City in FY 20XX/YY(-1) use any revenues or issue bonds for the construction, acquisition, or development, of any facility which is defined in Sections 103(b)(4), 103(b)(5), or 103(b)(6) of the Internal Revenue Code of 1954 prior to the enactment of the Tax Reform Act of 1986 (P.L. 99-514) and is no longer eligible for tax-exempt financing?
No _____ Yes _____ If yes, enter amount _____
5. Treasurer/Finance Director signature: _____

Please return this letter with the requested information by November 12, 20YY to:
Property Tax Manager, Auditor's Office, County of Oz, Emerald City, CA 91234.

Please contact our office if you have any questions regarding this matter or need assistance.

Very truly yours,

AUDITOR, COUNTY OF OZ

By Property Tax Manager

Exhibit 9

OFFICE OF THE AUDITOR OF THE COUNTY OF OZ
1 Yellow Brick Road
Emerald City, CA

DATE: _____

TO: Chief Financial Officer _____ School/College District

FROM: Auditor, County of Oz

Annually, the Auditor's Office is required to report school property tax revenues to the State. We will exclude the revenues identified below from the Taxes Report (J29) and CCFS-329 Report if you are able to certify that the statements given below are accurate. Please complete and sign the Certification for the prior tax year, and return it to the Property Tax Division of the Auditor's Office before August 1.

Attached is a schedule of the pass-through amounts administered by the County. Also consider any amounts you receive directly from redevelopment agencies when completing the Certification.

CERTIFICATION of the CHIEF FINANCIAL OFFICER

In compliance with requirements for revenue exclusion per Education Code §42238(h)(6) or §84751(d), 200XX/YY property tax revenues in the amount of:

- \$_____ was received pursuant to Health & Safety Code §33401 or §33676 were used for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance, and
- \$_____ was received pursuant to Health & Safety Code §33492.15, §33607.5, or §33607.7 were allocated exclusively for educational facilities.

(NOTE: For joint county districts, these amounts are from the County of Oz tax revenues only.)

I hereby certify that the above is a true and accurate statement.

(Name)

(Title)

(Signature)

(Date)

Exhibit 10

**LETTERHEAD for
AUDITOR-CONTROLLER, COUNTY OF OZ**

Date

Taxing entity
Mailing address
City, State Zip code

Re: Notice for claims

Dear Sir or Madam:

Attached is a copy of the report of the tax sale held _____. As required under Revenue and Taxation Code §3720, below is the required notice of claims. If you have any questions, please call me at 123-456-7890.

NOTICE FOR CLAIMS

Description of Property: Assessors Parcel Number xxx-xxx-xxx-xxx

Claims on the amount received from the sale shall be made within 60 days after the mailing of this notice.

Very truly yours,

AUDITOR-CONTROLLER
COUNTY OF OZ

By Property Tax Manager

Enclosure

Exhibit 11

Oz County Auditor Information Sheet

(Please make any corrections to the information below.)

Honorable Auditor
County of Oz
Courthouse
1 Yellow Brick Road
Emerald City, CA

Auditor's Phone: (XXX) XXX-XXXX

Auditor's FAX: (XXX) XXX-XXXX

Signature

The **Property Tax Manager** is:
(or primary contact person)

Name: _____

Title: _____

Mail Address: _____

Delivery Address: _____
(must be street address for UPS/Fed. Ex.)

City, State, Zip Code: _____

Contact Telephone: _____

Contact Fax: _____

Contact Internet E-Mail Address: _____

Other key contact personnel:

Name: _____

Telephone: _____

Name: _____

Telephone: _____

Return completed information sheet to:

State Board of Equalization
Mr. David J. Martin, Supervisor
Tax Area Services Section
P.O. Box 942879
Sacramento, CA 94279-0059

Fax: (916) 327-4251

Exhibit 12

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

DATE

Ralph Davis, Consolidation Coordinator
State of California Board of Equalization
P.O. Box 1713
Sacramento, CA 95812

Statement of TRA Assignment

City Resolution No: 20XX-YY

LAFCO Case No: 1281 - F - 21

Short Title: Emerald City – Annex #20XX-02

The Auditor-Controller of the County of Oz certifies that changes to existing tax rate areas in the above named action can be made as follows:

Existing TRA
Affected
087-000

Assign to Existing
TRA Number
008-017

New TRA
Number Required

Very truly yours,

AUDITOR, COUNTY OF OZ

By Property Tax Manager

Exhibit 13

**LETTERHEAD for
AUDITOR, COUNTY OF OZ**

DELINQUENT ROLL (or ABSTRACT LIST) CERTIFICATION

DATE

STATE OF CALIFORNIA)
COUNTY OF OZ)

“I, _____, Auditor of the County of Oz, certify that the delinquent roll or abstract list as prepared and corrected by the Tax Collector for the fiscal year 20XX-YY is correct and complete.” (Revenue and Taxation Codes §2927.3 and §4374.)

Date

Auditor, County of Oz

**LETTERHEAD for
TAX COLLECTOR, COUNTY OF OZ**

**REQUEST FOR AND AUTHORIZATION OF DISCHARGE OF
ACCOUNTABILITY**

DATE

The following have failed to pay unsecured property taxes in the sum of \$_____,
duly assessed for the year ____-____. I believe that further collection effort would
be impracticable.

I hereby request a discharge of accountability in accordance with provisions of §2611.1 of
the California Revenue and Taxation Code.

Such discharge would not release the person(s) named herein from the payments of any
amounts which are due and owing.

_____ Date	_____ Tax Collector, County of Oz

_____ Approved _____ Not approved

Attest:

Board of Supervisors,
County of Oz

Clerk of the Board of Supervisors

By _____
Deputy

Seal

§2611.1 R&T Code

SCO 2-22 (1-00)

Exhibit 15

\$X,XXX,XXX.XX
DISTRICT
GENERAL OBLIGATION BONDS, ELECTION OF 20XX, SERIES X

CERTIFICATE OF COUNTY AUDITOR-CONTROLLER

The undersigned hereby states and certifies:

(I) the undersigned is the duly elected or appointed, qualified and acting Auditor-Controller of the County of Oz, California, (the "County"), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same; and
(II) that, as shown by records of the undersigned, including the last equalized assessment roll of the County, namely the equalized assessment roll for the fiscal year 20XX-20XX, the valuations and bonding capacity for the _____ District are as follows:

1.	Total Assessed valuation of state assessed unitary and operating non-unitary tangible property	\$ _____
2.	Equalized assessment roll value	\$ _____
3.	Total valuation for bonding capacity purposes	\$ _____
4.	Applicable percentage for bonding capacity purposes per Code Section _____ *	<u>XX.XX%</u> *
5.	Bonding capacity (item 3 times item 4)	\$ _____
6.	Outstanding bonded indebtedness as of July 1, 20XX (including Lease Payments required to be included, but not the amount of this issue)	\$ _____
7.	Amount of this issue	\$ _____
8.	Additional bonding capacity (item 5 less items 6 and 7)	\$ _____

Dated: MM/DD/YYYY

COUNTY OF OZ

By _____
Auditor-Controller

*-----
Education Code §15102 Elementary or High School District 1.25%
Education Code §15106 Unified School District or Community College District 2.50%
Education Code §15330 Schools Facility Improvement District 1.25%
Health & Safety Code §32308 Hospital District 10.00%

Education Code §15102, §15106 Calculation of unitary assessed values

Exhibit 16

**Reference Items Section
Chapter F-9**

CROSS REFERENCE TABLES

INTRODUCTION

Some Revenue and Taxation Code sections were renumbered by AB3347 on 09/30/1994. Exhibit 1 shows the cross reference from the pre-AB3347 to the post-AB3347 Revenue and Taxation Code section.

MAIN TOPIC

On renumbering of Revenue and Taxation Code Sections from the R&T 95 footnotes in Volume 1 of the Property Tax Law Guide:

"Chapter 6 was added by Statutes of 1994, Chapter 1167, in effect January 1, 1995. Provided that it is the intent of the Legislature in enacting this act only to clarify and reorganize those statutes with respect to the allocation of property tax revenues, and to eliminate portions of those statutes that have been fully implemented or are no longer applicable. This act shall not be construed to invalidate or otherwise affect any otherwise proper action taken under the authority of Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code prior to the operative date of this act, or any requirement of that chapter as that chapter read prior to the operative date of this act."

See Exhibit 1.

Exhibit 1

Revenue & Taxation Code §95-100 before and after Reorganization (AB 3347)

Old Section §	New Section §	Description	Category
95	95	Definitions	Definition & Administration
95.5	95(b)	District Definition	Definition & Administration
95.1	95(n)	Excess tax school entity definition	Definition & Administration
97(e-g)	95.2	Property Tax Administration Cost Recovery	Definition & Administration
97.5(d & g)	95.3	Property Tax Administration Cost Recovery	Definition & Administration
97.53	95.4	Invoice amounts-Admin cost recovery	Definition & Administration
96	96	Tax Apportionment; 1979-80	Basic Revenue Allocations
97(a, c, & d)	96.1	Tax Apportionment; 1980-81 & forward	Basic Revenue Allocations
97.51	96.21	Solano Co property tax apportionment	Basic Revenue Allocations
97.52	96.22	Property tax apportionment, zoo purposes	Basic Revenue Allocations
97.54	96.23	1993/94 Nevada Co Apportionment modification	Basic Revenue Allocations
97.6	96.3	Maximum tax rate	Basic Revenue Allocations
97.65	96.31	Maximum tax rate limit	Basic Revenue Allocations
97.9	96.4	RDA allocation; reimbursement agreement	Basic Revenue Allocations
98	96.5	Allocation of annual tax increment	Basic Revenue Allocations
98.5	96.6	Subtraction of redevelopment increment	Basic Revenue Allocations
98.7	96.7	Health district; State assistance payments	Basic Revenue Allocations
100	96.8	Tax Rate reduction	Basic Revenue Allocations
97.01	97	1992/93 ERAF Shift	Revenue Allocation Shifts
97.02	97.1	1993/94 ERAF Shift	Revenue Allocation Shifts
97.03	97.2	1992/93, 1997/98 & 1998/99 ERAF Shift	Revenue Allocation Shifts
97.06	97.21	Exclusions from annual revenues	Revenue Allocation Shifts
97.05	97.22	Multicounty district exclusion	Revenue Allocation Shifts
97.035	97.3	1993/94 ERAF Shift	Revenue Allocation Shifts
97.036	97.31	Reduction of transfer to ERAF	Revenue Allocation Shifts
97.038	97.32	Memorial District exclusion from ERAF	Revenue Allocation Shifts
97.07	97.33	Oakland/Berkeley fire reduction	Revenue Allocation Shifts
97.034	97.34	Water quality compliance costs	Revenue Allocation Shifts
97.039	97.35	Community Service District Exclusion	Revenue Allocation Shifts
97.04	97.4	Election to use a countywide basis	Revenue Allocation Shifts
97.5(a-c, f, h)	96.2	Property tax apportionment	Basic Revenue Allocations
97.35	98	TEA formula excluding Ventura Co.	TEA
97.36	98.01	Los Angeles Co TEA formula	TEA
97.38	98.02	Ventura Co TEA formula	TEA
97.39	98.03	Foster city TEA exclusion	TEA
97.41	98.04	Santa Clara Co TEA maximum	TEA
97.3	98.1	Orange County 1984/85 TEA	TEA

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Exhibit 1

Revenue & Taxation Code §95-100 before and after Reorganization (AB 3347)

Old Section §	New Section §	Description	Category
99	99	Jurisdictional changes	Jurisdictional changes
99.1	99.01	Jurisdictional changes; special districts	Jurisdictional changes
99.4	99.02	Transfer or exchange of taxes	Jurisdictional changes
99.6	99.03	Exchange of taxes; Riverside Co	Jurisdictional changes
99.5	99.1	Transfer or exchange of taxes	Jurisdictional changes
99.9	99.2	Construction of amendments of section 99	Jurisdictional changes
98.9	100	Unitary and operating nonunitary property	Miscellaneous Provisions
98.1	100.1	Assessed value of unitary property	Miscellaneous Provisions
97.5(i)	100.2	Supplemental property tax	Miscellaneous Provisions
97.09	100.3	Santa Cruz Co Supplemental Allocation Fund	Miscellaneous Provisions
95.6	G.C. 12468	Audit by controller; annual report	
97.1	Repealed	1981–82 fiscal year allocations	
97.2	Repealed	Corrections to base year allocations for fiscal years 1978–79 to 1982–83	
97.31	Repealed	1985–86 fiscal year allocations to special districts	
97.32	Repealed	Computation modifications	
97.4	Repealed	No adjustments to apportionments	TEA
97.43	Repealed	Allocations: limitations	
97.7	Repealed	Welfare and Institutions Code computation	
97.75	Repealed	Computation of state assistance payments; allocation and apportionment of property tax revenues	
97.8	Repealed	Computation of state assistance payments; allocation and apportionment of property tax revenues	
97.85	Repealed	Removal of the 1982–83 fiscal year business inventory exemption subvention	
98.8	Repealed	Additional funds for special district	
99.2	Repealed	Effect of jurisdictional changes filed between January 2, 1978, and July 28, 1980, on special districts	
99.3	Repealed	Effects of jurisdictional changes on County of Marin	
97(b)	Repealed	Subsequent fiscal year allocations	
97.5(e & g)	Repealed	Property tax apportionment factors	

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A full list can be found at the website below:

<https://www.boe.ca.gov/lawguides/property/current/ptlg/rt/part05.html>

**Reference Items Section
Chapter F-10**

STATE PUBLICATIONS AND GUIDES

INTRODUCTION

Use the following link to access the most recent state publications and guides:

- State Controller's Office (SCO) publications and guides
https://www.sco.ca.gov/pubs_guides.html

Existing Guidelines Section Index

UNIFORM GUIDELINES FOR CALIFORNIA COUNTIES PREPARED BY THE COUNTY ACCOUNTING STANDARDS AND PROCEDURES COMMITTEE

**This Index is linked. Click on desired topic within list.
Use arrows at top of screen to return here.**

***Note: The Guidelines are static documents that do not reflect any
Constitutional, legislative or case law changes since their creation.***

1. Administration Fees

- (a) County Property Tax Administration Charges and No/Low Property Tax Cities Adjustment: January 1991
- (b) County Property Tax Administration Charges: Amended June 1993
- (c) 1996/97 County Property Tax Administrative Costs: June 1997

2. Appropriation Limits

- (a) Article XIIIB California Constitution Appropriation Limit Procedure Guidelines: November 1990

3. Electronic Fund Transfers

- (a) Electronic Fund Transfers: February 1996

4. ERAF – Property Tax Shift

- (a) SB617, SB844, SB1559 and AB3027, Property Tax Shift: October 1992
- (b) 1993/94 Property Tax Shift: October 1993
- (c) 1993/94 Addendum to Property Tax Shift: October 1994
- (d) 1993/94 Second Addendum to Property Tax Shift: December 1997

5. Interest on Tax Refunds

- (a) SB1683, SB657 and AB1668, Calculation of Interest on Tax Refunds: October 1996

6. Proposition 218

- (a) Prop. 218 Guidelines for Placing Flat Fees on the Secured Roll: April 1997

7. Public Safety Sales Tax Revenue

- (a) 1993 and 1996 Legislative Sessions - SB509, AB1191, Allocation of Public Safety Sales Tax Revenue: Revised October 1996
- (b) 1993, 1996 and 1997 Legislative Sessions - SB509, AB1191, AB334 AND AB339, Allocation of Public Safety Sales Tax Revenue: Revised October 1997

8. Public Safety Services Maintenance of Effort

- (a) Public Safety Services Maintenance of Effort Requirements: Revised October 1997

9. Final ERAF-VLF-Triple Flip

(Uniform Guidelines for the Implementation of Senate Bill 1096 as Amended by Assembly Bill No. 2115 Concerning Funding Provisions Relative to Counties, Cities, Special Districts, and Redevelopment Agencies in Connections with the State of California Budget for Fiscal Year 2004-05 and Beyond.)

10. Unitary Property of Regulated Railway Companies

(Uniform Guidelines for the Implementation of Assembly Bill 2670 (Ch. 791, Statutes of 2006)

11. Qualified Property of Public Utilities

(Uniform Guidelines for the Implementation of Senate Bill 1317 (Ch. 873, Statutes of 2006)

**Guidelines
For
County Property Tax Administration Charges
And
“No/Low Property Tax Cities” Adjustment**

**Prepared by
The**

County Accounting Standards and Procedures Committee

Note: The spelling of “pass-through” may have been changed from the original guideline to conform to the CALSACA current day standardized terminology.

Guidelines

COUNTY PROPERTY TAX ADMINISTRATION CHARGES AND "NO/LOW PROPERTY TAX CITIES" ADJUSTMENTS

INTRODUCTION

During the 1990-91 State Budget deliberations, the legislature enacted SB 2557, Maddy, (chapter 466 of 1990). This bill contained the authorization for counties to increase revenue to counties by the amount of property tax administrative cost attributable to incorporated cities within each county. It also authorized the County Auditor to annually, commencing with the 1990-91 fiscal year, determine "property tax administrative costs proportionately attributable to local jurisdictions", for Fiscal Year 1989-90 and thereafter, and "submit invoices" to the relevant jurisdictions for those costs.

This authorization was codified in Section 97 of the Revenue and Taxation Code (R&T). While this authorization is not effective until January 1, 1991, it is, by specific wording, retrospectively operational to July 1, 1990.

These guidelines address the: (I) determination of property tax administration costs and revenue offsets, (II) allocation of costs to various jurisdictions, (III) application of allocated costs by tax transfers or invoices, and collection procedures. SB 2557 also provided changes with respect to property tax revenue allocations to "qualifying" (NO/LOW property tax) cities. These guidelines also address implementation of this subject in section IV.

THESE GUIDELINES ARE FOR THE FIRST YEAR OF THE ACT ONLY (F.Y. 1990-91). "Clean-up" legislation under consideration for the 1991 legislative year may have a significant bearing on procedures for subsequent years. Guidelines for subsequent years will be developed and issued later.

I. PROPERTY TAX ADMINISTRATIVE COSTS

Annually, commencing in 1990-91, it will be necessary to calculate the County's prior year property tax administrative costs.

"Property Tax Administrative Costs" for purposes of compliance with the provisions of Revenue and Taxation Code Section 97 refers to the property tax related administrative costs of the assessor, tax collector and auditor.

In order to calculate the property tax administrative costs, it will be necessary to determine the department direct, and "A-87" overhead costs related to property taxes in the assessor, tax collector and auditor departments. It will also be necessary to "offset" the total property tax related costs by revenues intended to reimburse the County for various property tax processes.

“Direct Costs” are calculated by identifying and costing out all activities directly involved in processing property taxes. Such costs include not only staffing costs, but also departmental indirect costs such as administrative salaries, services and supplies, etc. “Departmental Indirect cost” is an accounting term used to describe a process of assigning (or changing) those costs of a department/organization, which are common to two or more of its functions.

In the case of the assessor’s department, usually all departmental costs are related to property tax administration. The sole purpose of the assessor is to assess taxable property. However, the assessor’s functions should be reviewed and if the assessor is performing any services outside of the property tax function the costs of those services should be excluded from these calculations (unless the county is reimbursed for those services – in which case it would be a revenue offset as discussed below).

In the case of the tax collector and auditor, it will be necessary to assign departmental direct cost to the property tax function. These departments have other responsibilities not related to property tax administration. Costs such as salaries, benefits, services and supplies will have to be reviewed and assigned to property tax administration. The process of assigning these costs should be well documented so that future review of this process can be performed.

Cost of an assessment appeals board should not be included. However, cost of county counsel representing the assessor before the assessment appeals board should be included either by direct interdepartmental charges to the assessor’s budget unit or through the cost Allocation Plan.

“Overhead Costs” are calculated in accordance with federal Circular A-87 standards, per Revenue and Taxation Code Section 97. This circular establishes principles and standards for determining costs applicable to Federal grants, contracts, and other agreements with State and local governments. For F.Y. 1990-91 the recovery of indirect overhead costs should be based on the allocation of the 1989-90 actual costs, pursuant to Circular A-87 standards. Fixed asset depreciation is generally considered part of overhead pursuant to Circular A-87, and therefore the direct expenditure for purchase of capital items should not be included in direct costs. Please note that overhead costs will vary from county-to-county, depending upon the procedure used in each County for classification of particular costs as direct or indirect. For example, computer costs may be charged in one County as direct costs, but charged as indirect costs through it’s A-87 plan in another County.

“Offsetting Revenues” are revenues received, in accordance with State statutes, to reimburse counties for portions of property tax administration. These revenues should be used to “offset” the direct and overhead property tax related costs. Revenues that are penalties for late payment of taxes, e.g. penalties on current delinquent taxes (R&T 2617, 2618, 2992(a)(b), and 75.52(c)) should not be included in revenue offsets. The following are examples of offsetting revenues:

- o Supplemental Tax Administration Reimbursement, R&T 75.60
- o Special Assessment Administration Fee, Government Code (G.C.) 29304 & 51800
- o Tax Collector \$10 cost for preparing delinquent list, R&T 4653.8

- o Assessor Mapping Fees
- o Tax Defaulted Land Sale Fees (actual and reasonable cost of personal contact and actual and reasonable cost of notice), R&T 4112
- o Tax Sales Administration Charges, R&T 4672.1 & .2
- o Augmentation Fund Administration Fee, R&T 98.6
- o Redevelopment Base Year Projected Revenues Fee, Health & Safety Code (H&S 33328.7 & 33607
- o 1915 Act Assessment Collection Charges, Streets & Highways Code 8682
- o Any Other Property Tax Administration Reimbursement Revenue

Certain revenues should be recognized as an invoice “credit” (section III) rather than as an offset to total costs. These are fees paid by local jurisdiction for property tax services, e.g. the ¼ of 1% (negotiated) charge to special districts under G.C. 29142.

The net amount after offsetting revenues against Property Tax Administrative Cost will be allocated in accordance with R&T 97 subsections (e)(2) and (f), see section II of these guidelines.

II. ALLOCATION OF PROPERTY TAX ADMINISTRATION COSTS

Property tax administration costs as determined in section I should be allocated to the various jurisdictions as follows: (see exhibit II-1)

Elements:

- A = Gross property tax allocation for fiscal year 1989-90 under AB 8 (R&T sections 97 and 97.5)
- B = Transfers to Special District Augmentation Fund (SDAF) (see note 1)
- C = Transfers from the SDAF
- D = Net allocations to Redevelopment agencies (see notes 2 and 3)
- E = Amounts allocated from the Unitary and Operating Non Unitary process (1% portion – R&T 98.9(c))

Formula:

- Step 1 $A - B + C - D + E = \text{Total ("F")}$ (see notes)
- Step 2 Develop allocation factors (percent) by dividing each jurisdiction’s total by the total of all jurisdictions, including redevelopment agencies.

- Notes:**
1. The SDAF items may not apply to those counties that make the SDAF adjustments prior to determining the amount described in element “A” above.

2. "Net" allocations to redevelopment agencies should be after adjusting for only those pass-through agreements that are administered by the auditor as authorized in H&S 33401 and 33676.
3. For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB 8 calculation process, element D would not be an element in this calculation. However, "pass-throughs" (note 2 above) would be added in the above formula.

III. TRANSFERS/INVOICES

SB 2557 provides for shifting base tax in the AB 8 process for amounts determined in section II above for cities (R&T 97(e)) and for submitting invoices to other jurisdictions (R&T 97(f)).

Cities: R&T 97(e) requires the cities' share of the costs, as determined in sections I and II above, to be a property tax shift from the cities to reimburse the county for administrative costs. For F.Y. 1990-91, the adjustment (shift) should be made prior to making tax payments to the cities after December 31, 1990. The method and timing of the adjustment is a matter of local discretion.

Local Jurisdictions Other than Cities: R&T 97(f) provides that the auditor "may," submit invoices for these charges. Normally the auditor's role is ministerial, not policy. It is recommended that auditors consult with their county counsels, CAOs, and boards of supervisors about this issue. Redevelopment Agencies should be included in the R&T 97(f) procedures. Certain fees paid by a jurisdiction should be shown as a credit on that jurisdiction's invoice, e.g. the ¼ of 1% fee paid by special districts under G.C. 29142. SB 2557 is effective January 1, 1991, however, at that time it will apply retrospectively to July 1, 1990. Therefore, invoices should not be submitted until after December 31, 1990.

Other Considerations It is important to notify the cities and other jurisdictions as soon as possible as to what these amounts will be and how they will be applied so that they may plan accordingly.

If a local jurisdiction does not pay the invoice, remedies are a local decision. Auditors should consult with their county counsels. R&T(e)(4) provides that "the county may retain up to one-half of any increased property tax allocation to which a jurisdiction may otherwise be entitled, until the county receives its additional revenues under this section." Recently enacted AB 3463, Chapter 697, Statutes of 1990, added section 907 to the Government Code, which provides procedures for collecting amounts owed by one public agency to another public agency.

Also, auditors should consult with their county counsels with respect to what steps (notices, hearings) may be necessary in order to set up these charges.

IV. NO/LOW PROPERTY TAX CITIES

SB 2557 added section 97.43 to the R&T code: "Notwithstanding any other provision of this article, a qualifying city shall not receive a property tax revenue allocation in the 1990-

91 fiscal year which is greater than 90 percent of the allocation received by that qualifying city in the 1989-90 fiscal year.”

The consensus of opinion among the auditors of counties having “qualifying cities” is that (the definition of a qualifying city in R&T 97.35(d) notwithstanding) sec. 97.43 should apply only to those cities that received additional property tax allocation in F.Y. 1989-90 under the Tax Equity Allocation (TEA) formula (because it was higher than the AB 8 formula amount). For F.Y. 1990-91, those cities would be allocated (1) their AB 8 allocation plus (2) 90% of the extra amount allocated to them under the TEA formula for F.Y. 1989-90, less (3) their share of the property tax administrative costs, Section II above.

For example:

1989-90:	AB 8 calculation	\$ 90,000
	TEA formula calculation	<u>290,000</u>
	Extra amount per TEA formula	\$200,000
1990-91:	AB 8 calculation	\$ 99,000
	Plus 90% of \$200,000	<u>180,000</u>
	1990-91 Allocation (before transfer of administration costs)	\$279,000

SB 2557

SEC. 4. Section 97 of the Revenue and Taxation Code is amended to read:

97. Except as otherwise provided in Section 97.3, 97.32, 97.35, 97.37, and 97.38 for the 1980-81 fiscal year and each fiscal year thereafter, property tax revenues shall be apportioned to each jurisdiction pursuant to this section and Section 97.5 by the county auditor, subject to allocation and payment of funds as provided for in subdivision (b) of Section 33670 of the Health and Safety Code, to each jurisdiction in the following manner:

(a) Except as provided in subdivision (b), for each tax rate area, each jurisdiction shall be allocated an amount of property tax revenue equal to the amount of property tax revenue allocated pursuant to this chapter to each jurisdiction in the prior fiscal year, modified by any adjustments required by Section 99 or 99.4.

(b) For each tax rate area, each special district shall be allocated an amount of property tax revenue equal to the amount of property tax revenue, which would have been allocated pursuant to this chapter to such district in the prior fiscal year if no adjustment had been made pursuant to Section 98.6. This amount shall then be adjusted for the current year pursuant to Section 98.6.

(c) The difference between the total amount of property tax revenue and the amounts allocated pursuant to subdivision (a) shall be allocated pursuant to Section 98, and shall be known as the “annual tax increment.”

(d) For purposes of this section, the amount of property tax revenue referred to in subdivision (a) shall not include amounts generated by the increased assessments under Chapter 3.5 (commencing with Section 75).

(e) (1) Notwithstanding any other provision of law, for the 1990-91 fiscal year, for the purposes of the computations required by this section, the amount of property tax presumed to have been received by the county in the prior year shall be increased by the amount of 1989-90 property tax administrative costs proportionately attributable to incorporated cities as determined pursuant to paragraph (2).

(2) The auditor shall determine the 1989-90 fiscal year property tax administrative costs proportionately attributable to incorporated cities by adding the 1989-90 fiscal year property tax-related costs of the assessor, tax collector, and auditor, including applicable administrative overhead costs as permitted by federal Circular A-87 standards, and multiplying the sum of those amounts by the ratio of property tax revenue received by all incorporated cities divided by the total property tax revenue for all local jurisdictions in the county for that fiscal year.

(3) The county shall use the additional revenue received pursuant to this subdivision only to fund the actual costs of assessing, collecting and allocating property taxes. At least once each fiscal year, the county auditor shall report the amount of these actual costs and allowable overhead costs to the legislative body and any allowable overhead costs to the legislative body and any other jurisdiction or person that request the information. To the extent that actual costs for assessing, collecting, and allocating property taxes plus allowable overhead costs are less than the amount determined pursuant to paragraph (2), the county auditor shall apportion the difference to each incorporated city as otherwise required by this section.

(4) The county may retain up to one-half of any increased property tax allocation to which a jurisdiction may be otherwise entitled, until the county receives its additional revenues pursuant to this section.

(5) It is the intent of the Legislature in enacting this subdivision to recognize that since the adoption of Article XIII A of the California Constitution by the voters, county governments have borne an unfair and disproportionate part of the financial burden of assessing, collecting, and allocating property tax revenues for cities. It is further the intent of the Legislature that the adjustments provided for by this subdivision shall constitute charges by a county for the assessment, collection, and allocation of property taxes and shall not exceed the actual costs reasonably borne by a county for those activities.

(f) The auditor may determine the 1989-90 fiscal year property tax administrative costs proportionately attributable to local jurisdictions other than the county or city and county, and cities, by adding the property tax-related costs of the assessor, tax collector, and auditor, including applicable administrative overhead costs as permitted by federal Circular A-87 standards, and multiplying the sum of those amounts by the ratio of property tax revenue received by jurisdictions other than the county, city and county, and cities divided by the total property tax received by all local jurisdictions in the county for the fiscal year.

Notwithstanding any other provision of law, this amount may be calculated for each fiscal year commencing with the 1989-90 fiscal year, and the auditor may, commencing in fiscal year 1990-91, submit an invoice to these jurisdictions for services rendered in the prior fiscal year.

(Section references and subjects identified in Section 97)

- 97.3 = Orange Co. TEA Formula
- 97.32 = The San Bernardino Park District shift
- 97.35 = NO/LOW TEA
- 97.37 = NO/LOW Mono Co.
- 97.38 = NO/LOW Ventura Co.
- 97.5 = Combine the TRA amounts to get total for all jurisdictions in all TRA's, etc.

- 99 = Annex, new city, etc.
- 99.4 = Exchange of property tax revenues between local agencies
- 98.6 = SDAF
- 75 (Chap. 3.5) et seq = Supplemental Roll
- H & S 33670 = Redevelopment Agencies

SEC. 5. Section 97.43 is added to the Revenue and Taxation Code, to read:

97.43. Notwithstanding any other provision of this article, a qualifying city shall not receive a property tax revenue allocation in the 1990-91 fiscal year, which is greater than 90 percent of the allocation received by that qualifying city in the 1989-90 fiscal year.

SB 2557 PROPERTY TAX ADMINISTRATION COST ALLOCATION FACTORS MODEL

ENTITY	-A- GROSS (AB 8) ALLOCATION	B- TO SDAF (1)	-C- FROM SDAF (1)	-D- TO RDA (NET) (2), (3)	-E- UNITARY & OPER. NON-UNIT.	-F- TOTAL A-B+C-D+E	-G- FACTOR	-H- COST ALLOC (G X TOTAL) (4)
COUNTY	2,000			-90	80	1,990	25.4%	50.80
CITY A	620				30	650	8.3%	16.60
CITY B	780			-200	30	610	7.8%	15.60
DISTRICT C	400	-200	65	-30	10	245	3.1%	6.20
DISTRICT D	300		150	-80	10	380	4.9%	9.80
DISTRICT E (SUBSIDIARY OF CITY A)	400	-180	180		15	415	5.3%	10.60
DISTRICT F (SUBSIDIARY OF CITY A)	500	-120	120		20	520	6.7%	13.40
DISTRICT S	2,500				100	2,600	3.2%	66.40
AGENCY G REDEVELOPEMNT				250	10	260	3.3%	6.60
AGENCY F REDEVELOPMENT				150	10	160	2.0%	4.00
SUB TOTAL						7,830	100.0%	\$200.00
SDAF		500	-515		25	10		
TOTALS	7,500	-0-	-0-	-0-	340	7,840		

- FOOTNOTES:
- (1) The SDAF items may not apply to those counties that make the SDAF adjustments prior to determining the amounts described in element "A" above.
 - (2) "Net" allocations to redevelopment agencies should be after adjusting for (only) those pass through agreements that are administered by the auditor as authorized in H & S 33401 and 33676.
 - (3) For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB 8 calculation process, element D would not be an element in this calculation. However, "pass-throughs" (note 2 above) would be added in the above formula.
 - (4) Assumes cost (per section 1) = \$200.00

**GUIDELINES
FOR
COUNTY PROPERTY TAX ADMINISTRATION CHARGES**

Prepared by the
**COUNTY ACCOUNTING STANDARDS AND
PROCEDURES COMMITTEE**

AMENDED JUNE 1993

Note: The spelling of “pass-through” may have been changed from the original guideline to conform to the CALSACA current day standardized terminology.

GUIDELINES

COUNTY PROPERTY TAX ADMINISTRATION CHARGES

INTRODUCTION

During the 1990-91 State Budget deliberations, the legislature enacted SB 2557. Maddy, (Chapter 466 of 1990). This bill contained the authorization for counties to increase revenue to counties by the amount of property tax administrative cost attributable to incorporated cities within each county. It also authorized the County Auditor to annually, commencing with the 1990-91 fiscal year, determine "property tax administrative costs proportionately attributable to local jurisdictions", for Fiscal Year 1989-90 and thereafter, and "submit invoices" to the relevant jurisdictions for those costs. This authorization was codified in Section 97 of the Revenue and Taxation Code (R&T).

During the 1991-92 legislative session, Section 97 of the Revenue and Taxation Code (R&T) was amended to exclude schools from being invoiced for the Property Tax Administrative charge and require Board of Supervisors action in order to recover these costs from local jurisdictions other than the county or city and county, and cities.

Chapter 697 of the 1992 Statutes, effective for the 1992-93 fiscal year amended Section 97.5 of the R&T Code, superseding provisions contained in Section 97. The major changes were:

- The portion allocated to Educational Revenue Augmentation Fund (ERAF) per Section 97.03 is included and is liable for a proportionate share of costs.
- Costs are recovered from the apportionment of current secured collections during the year.

These guidelines address the: (I) determination of property tax administration costs and revenue offsets, (II) allocation of costs to various jurisdictions, (III) application of allocated costs by tax transfers.

I. PROPERTY TAX ADMINISTRATIVE COSTS

Annually, commencing in 1990-91, it will be necessary to calculate the County's prior year property tax administrative costs.

"Property Tax Administrative Costs" for purposes of compliance with the provisions of Revenue and Taxation Code Section 97.5 refers to the property tax related administrative costs of the assessor, tax collector and auditor.

In order to calculate the property tax administrative costs, it will be necessary to determine the department direct, and "A-87" overhead costs related to property taxes in the assessor, tax collector and auditor departments. It will also be necessary to "offset" the total property

tax related costs by revenues intended to reimburse the County for various property tax processes.

"Direct Costs" are calculated by identifying and costing out all activities directly involved in processing property taxes. Such costs include not only staffing costs, but also departmental indirect costs such as administrative salaries, services and supplies, etc. "Departmental Indirect Cost" is an accounting term used to describe a process of assigning (or charging) those costs of a department/ organization which are common to two or more of its functions.

In the case of the assessor's department, usually all departmental costs are related to property tax administration. The sole purpose of the assessor is to assess taxable property. However, the assessor's function should be reviewed and if the assessor is performing any services outside of the property tax function the costs of those services should be excluded from these calculations (unless the county is reimbursed for those services --in which case it would be a revenue offset as discussed below).

In the case of the tax collector and auditor, it will be necessary to assign departmental direct costs to the property tax function. These departments have other responsibilities not related to property tax administration. Costs such as salaries, benefits, services and supplies will have to be reviewed and assigned to property tax administration. The process of assigning these costs should be well documented so that future review of this process can be performed.

Cost of an assessment appeals board should not be included. However, cost of county counsel representing the assessor before the assessment appeals board should be included either by direct interdepartmental charges to the assessor's budget unit or through the Cost Allocation Plan. County counsel costs incurred on behalf of the Appeals Board are to be excluded.

In addition, costs incurred by the assessor in association with work attributable to the assessment appeals process are includable and eligible for recovery.

"Overhead Costs" are calculated in accordance with federal Office of Management and Budget (OMB) Circular A-87 standards, per Revenue and Taxation Code Section 97.5. This circular establishes principles and standards for determining costs applicable to Federal grants, contracts, and other agreements with State and local governments. For each fiscal year, the recovery of indirect overhead costs should be based on the allocation of the prior year's actual costs, pursuant to Circular A-87 standards. Fixed asset depreciation is generally considered part of overhead pursuant to Circular A-87, and therefore the direct expenditure for purchase of capital items should not be included in direct costs. Please note that overhead costs will vary from county-to-county, depending upon the procedure used in each County for classification of particular costs as direct or indirect. For example, computer costs may be charged in one County as direct costs, but charged as indirect costs through its A-87 plan in another County.

"Offsetting Revenues" are revenues received, in accordance with State statutes, to reimburse counties for portions of property tax administration. These revenues should be used to "offset" the direct and overhead property tax related costs. Revenues that are penalties for late payment of taxes, e.g. penalties on current delinquent taxes (R&T 2617, 2618, 2992(a)(b), and 75.52(c)) should not be included in revenue offsets. The following are examples of offsetting revenues:

- Supplemental Tax Administration Reimbursement, R&T 75.60
- Special Assessment Administration Fee, Government Code (G.C.) 29304 & 51800
- Tax Collector \$10 Cost for preparing delinquent list, R&T 4653.8
- Assessor Mapping Fees
- Tax Defaulted Land Sale Fees(actual and reasonable cost of personal contact and actual and reasonable cost of notice), R&T 4112
- Tax Sales Administration Charges, R& T 4672.1 & .2
- Augmentation Fund Administration Fee, R&T 98.6
- Redevelopment Base Year Projected Revenues Fee, Health & Safety Code (H&S) 33328.7 & 33607
- 1915 Act Assessment Collection Charges, Streets & Highways Code 8682
- Any Other Property Tax Administration Reimbursement Revenue

The net amount after offsetting revenues against Property Tax Administrative Cost will be allocated in accordance with R&T 97.5.

"Direct Credit". Certain revenues should be recognized as a "direct credit" rather than as an offset to total costs. These are fees paid by local jurisdiction for property tax services, e.g. the 1/4 of 1% (negotiated) charge to special districts under G.C. 29142 for their proportionate share of the 1% levy only. Amounts collected from debt service levies and special assessments are offsets to the total costs prior to determining each jurisdiction's share.

II. **DETERMINATION OF PROPERTY TAX ADMINISTRATIVE COST APPORTIONMENT FACTORS**

Property tax administration costs as determined in Section I should be allocated to the various jurisdictions as follows: (See Exhibit II-1).

Elements:

- A = Gross property tax allocation for the prior fiscal year under AB 8 (R&T Sections 97 and 97.5). Commencing with the 1992/93 fiscal year, current year allocations are used.
- B = Transfers to the Special District Augmentation Fund (SDAF) (See Note 1)
- C = Transfers from the SDAF

D = Net allocations to Redevelopment agencies (See notes 2 and 3)

E = Amounts allocated from the Unitary and Operating Non Unitary process (1% portion - R&T 98.9(c))

Formulas:

Step 1 $A - B + C - D + E = \text{Total ("F")}$ (see notes)

Step 2 Develop allocation factors (percent) by dividing each jurisdiction's total by the total of all jurisdictions, including redevelopment agencies.

Notes:

1. The SDAF items may not apply to those counties that make the SDAF adjustments prior to determining the amount described in element "A" above.
2. "Net" allocations to redevelopment agencies should be after adjusting for only those pass-through agreements that are administered by the auditor as authorized in H&S 33401 and 33676.
3. For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB 8 calculation process, element D would not be an element in this calculation. However, "pass-throughs" (note 2 above) would be added in the above formula.

III. ADMINISTRATIVE COST RECOVERY

R& T 97.5 requires that the administrative cost amounts computed pursuant to Section II be deducted from cities, RDAs, special districts and ERAF current year tax apportionments.

These reductions are made without regard to Government Code Section 907 per R&T 97.5(d)(4).

IV. SECTION 97.5 OF THE REVENUE AND TAXATION CODE

(As amended by Chapter 697, Statutes of 1992)

Except as otherwise provided in Section 97.51 or 97.52, for the purpose of apportioning property tax revenues each fiscal year.

- (a) The amount of property tax revenue allocated pursuant to subdivisions (a) and (b) of Sections 96 or subdivision (a) of Section 97, modified by any adjustments made pursuant to Section 99 or 99.4, and subdivision (e) of Section 98, shall be combined to compute the total amount of property tax revenue allocated to the jurisdiction with respect to the tax rate area.

- (b) The total amount of property tax revenue allocated to each jurisdiction with respect to all tax rate areas as determined pursuant to subdivision (a) shall be added to compute a total amount of property tax revenue for a jurisdiction in all tax rate areas.
- (c) Each amount determined pursuant to subdivision (b) shall be divided by the total of all such amounts computed. The quotient determined shall be used to apportion actual property tax collections and shall be known as the "property tax apportionment factors."
- (d)
 - (1) Notwithstanding any other provision of law, for the 1990-91 fiscal year and each fiscal year thereafter, the auditor shall divide the sum of the amounts calculated with respect to each jurisdiction or community redevelopment agency pursuant to Sections 97, 98.6, and 98.9, and Section 33670 of the Health and Safety Code, by the countywide total of those calculated amounts. The resulting ratio shall be known as the "administrative cost apportionment factor" and shall be multiplied by the sum of the property tax administrative costs incurred in the immediately preceding fiscal year by the assessor, tax collector, and auditor to determine the fiscal year property tax administrative costs proportionately attributable to each jurisdiction or community redevelopment agency. For purposes of this paragraph, property tax administrative costs shall also include applicable administrative overhead costs allowed by the federal Office of Management and Budget Circular A-87 standards, but shall not include any amount reimbursed pursuant to Section 75.60 and 98.6, or include any amount in excess of the amounts reimbursable pursuant to Section 75.60, unless a county meets the conditions of paragraph (2) of subdivision (b), of Section 75.60.
 - (2) Each proportionate share of property tax administrative costs determined pursuant to paragraph (1), except for those proportionate shares determined with respect to a school entity, shall be deducted from the property tax revenue allocation of the relevant jurisdiction or community redevelopment agency, and shall be added to the property tax revenue allocation of the county. For purposes of applying this paragraph, for the 1990-91 fiscal year, each proportionate share of property tax administrative costs shall be deducted from those amounts allocated to the relevant jurisdiction or community redevelopment agency after January 1, 1991.
 - (3) Notwithstanding Sections 41000 and 84000 of the Education Code or any other provision of law, for the 1992-93 fiscal year and each fiscal year thereafter, the auditor shall adjust each proportionate share of property tax administrative costs determined pursuant to paragraph (1) with respect to a school entity by multiplying each proportionate share by the ratio of the amount of property tax revenues shifted to school entities from property tax revenues otherwise allocated to the county, cities, and special districts in the 1992-93 fiscal year to the total amount of property tax revenues allocated to school entities in the 1992-93 fiscal year. The auditor shall subtract the resulting amount from the property tax revenue allocation of the school entity and add that amount to the property tax allocation of the county. The amount by which property tax revenues allocated to a school entity are reduced pursuant to this paragraph in any fiscal year shall not reduce the amount of

property tax revenue allocated to that school entity for purposes of calculating the state funding entitlement of that school entity under the Education Code.

(4) Reductions made pursuant to this subdivision to property tax revenue allocations shall be made without regard to Section 907 of the Government Code.

(5) Any additional amounts of property tax revenue allocated to the county pursuant to this subdivision shall be used only to find costs incurred by the county in assessing and collecting property taxes, and in allocating property tax revenues, and shall constitute charges for those services, not exceeding the actual and reasonable costs incurred by the county in performing those services.

(6) It is the intent of the Legislature in enacting this subdivision to recognize that since the adoption of Article XIII A of the California Constitution by the voters, county governments have borne an unfair and disproportionate part of the financial burden of assessing, collecting, and allocating property tax revenues for other jurisdictions and for redevelopment agencies. The Legislature finds and declares that this subdivision is intended to fairly apportion the burden of collecting property tax revenues and is not a reallocation of property tax revenue shares or a transfer of any financial or program responsibility.

(7) Commencing with the 1992-93 fiscal year and each fiscal year thereafter, this subdivision shall supersede and replace subdivisions (e), (f), and (g) of Section 97, as that section read on January 1, 1992, as authority for a county to recover property tax administrative costs.

- (e) For 1980-81 and each year thereafter, the property tax apportionment factors for the current year shall be used to apportion the total amount paid to a county annually for reimbursement of tax loss from business inventory exemptions pursuant to Chapter 1150 of the Statutes of 1979.
- (f) For 1980-81 and each year thereafter, prior years' property tax revenues shall be apportioned using the factors determined pursuant to subdivision (c) for the immediately preceding fiscal year.
- (g) For 1979-80, prior years' property tax revenues shall be apportioned using the tax allocation factors computed pursuant to Section 26912 of the Government Code.
- (h) Notwithstanding the provisions of this section property tax revenues may be apportioned by tax rate area.
- (i) Supplemental property tax revenues for 1985-86 and each year thereafter, generated by Sections 75 to 75.80, inclusive, shall be apportioned using the property tax apportionment factors for the current year.

PROPERTY TAX ADMINISTRATIVE COST APPORTIONMENT FACTORS MODEL

ENTITY	-A- GROSS (AB 8) ALLOCATION	-B- TO SDAF (1)	-C- FROM SDAF (1)	-D- TO RDA (NET) (2),(3)	-E- UNITARY & OPER. NON UNIT.	-F- TOTAL A-B+C-D+E	-G- ADMIN. COST APPORT. FACTOR	-H- COST ALLOC (G X TOTAL) (4)
COUNTY	2000			-90	80	1990	25.40%	50.80
CITY A	620				30	650	8.30%	16.60
CITY B	780			-200	30	610	7.80%	15.60
DISTRICT C	780	-200	65	-30	10	245	3.10%	6.20
DISTRICT D	300		150	-80	10	380	4.90%	9.80
DISTRICT E (SUBSIDIARY OF CITY A)	400	-180	180		15	415	5.30%	10.60
DISTRICT F (SUBSIDIARY OF CITY A)	500	-120	120		20	520	6.70%	13.40
SCHOOLS ⁽⁵⁾	2000				100	2100	26.80%	53.60
ERAF ⁽⁶⁾	500					500	6.40%	12.80
RDA G				250	10	260	3.30%	6.60
RDA F				150	10	<u>160</u>	<u>2.00%</u>	<u>4.00</u>
SUBTOTAL						<u>7830</u>	<u>100.00%</u>	<u>200.00</u>
SDAF		<u>500</u>	<u>-515</u>		<u>25</u>	<u>10</u>		
TOTALS	<u>7500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>340</u>	<u>7840</u>		

FOOTNOTES:

- ⁽¹⁾ The SDAF items may not apply to those counties that make the SDAF adjustments prior to determining the amounts described in element "A" above.
- ⁽²⁾ "Net" allocations to redevelopment agencies should be after adjusting for (only) those pass through agreements that are administered by the auditor as authorized in H&S 33401 and 33676.
- ⁽³⁾ For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB 8 calculation process, element D would not be an element in this calculation. However, "pass throughs" (Note 2 above) would be added in the above formula.
- ⁽⁴⁾ Assumes cost (per Section I) = \$200.00.
- ⁽⁵⁾ Schools are excluded from transfer of administration fee.
- ⁽⁶⁾ ERAF share of property tax administrative costs prorated to schools and community colleges.

1996/97

UNIFORM GUIDELINES

FOR

COUNTY PROPERTY TAX ADMINISTRATIVE COSTS

Prepared by

COUNTY ACCOUNTING STANDARDS AND PROCEDURES
COMMITTEE

JUNE 1997

INTRODUCTION

Since establishing the Property Tax Administrative Cost recovery program in 1990-91, the legislature has made many changes affecting the cost/revenue calculations and the subsequent distribution of net costs to taxing jurisdictions. Consequently, the Guidelines have been revised and amended several times. Obsolete provisions have been deleted, and Revenue and Taxation Code Section references have been updated for these new Guidelines. A brief historical recap follows:

- During the 1990-91 State Budget deliberations, the legislature enacted SB2557 authorizing counties to increase their revenue by the amount of property tax administrative cost proportionately attributable to all local jurisdictions receiving property taxes within each county. This authorization is codified in Section 95.2 through Section 95.4 of the Revenue and Taxation Code (R&T).
- During the 1991-92 legislative session, the Revenue and Taxation Code (R&T) was amended to exclude schools from being charged their proportionate share of property tax administrative costs and to require Board of Supervisor action to recover costs from local jurisdictions other than the county or city and county, and cities.
- Effective for the 1992-93 fiscal year, R&T Code again was amended authorizing counties to charge ERAF for a proportionate share of costs for fiscal year 1992-93 only, and to deduct property tax administrative costs from current secured revenues apportioned to affected jurisdictions during the year.

For the 1996-97 fiscal year, the following additional changes have been enacted:

- AB1055, Chapter 1073, Statutes of 1996, passed as an urgency item effective September 30, 1996, added the county board of equalization and assessment appeals board to the list of entities with property tax administrative costs to be considered under ¹ R&T Code § 95.3.
- AB818, Chapter 914, Statutes of 1995, authorized loans to counties for participation in the State-County Property Tax Administration Program. Even though expenditures under this program are included in the Administrative Cost Recovery calculation, the related revenues are excluded.

These guidelines incorporate those provisions of the original and subsequent legislation which are still in effect. They address the determination of property tax administrative costs, including the appropriate revenue offsets, and the allocation of the calculated net cost to all affected jurisdictions effective for fiscal year 1996-97 and subsequent years.

¹ R&T Code § 95.3 begins with the statement “*for the 1990-91 fiscal year and each fiscal year thereafter...*,” literally suggesting retroactive addition of these costs. Per discussion with the Department of Finance, the inclusion of the county board of equalization and assessment appeals board is NOT INTENDED TO BE RETROACTIVE, but is effective beginning fiscal year 1996-97. Local interpretation whether to implement provisions of AB1055, Chapter 1073, Statutes of 1996, retroactively or prospectively may be controversial and subject to change pending legislative action or Attorney General's opinion. It is advisable for county auditors to seek advice from their county counsel regarding interpretation.

I. PROPERTY TAX ADMINISTRATIVE COSTS

Property Tax Administrative Costs for purposes of compliance with the provisions of R&T Code Sections 95.2 through 95.4, refers to the property tax administrative costs of the assessor, tax collector, auditor, and the county board of equalization and assessment appeals board(s) for the immediately preceding fiscal year.

To calculate the property tax administrative costs, county auditors must determine the department direct and "A-87" overhead costs related to property tax administration functions in the assessor, tax collector, and auditor departments, and for the county board of equalization and assessment appeals board. In general, the total amount of property tax related costs is offset by the total revenues intended to reimburse the county for property tax related processes.

The exception to the above is that revenues recognized through the State's Property Tax Administration Program (Chapter 914, Statutes of 1995) are excluded from revenues while related expenditures of Assessors, Tax Collectors, and Auditors are included in total costs.

Direct Costs are calculated by identifying and costing out all activities directly involved in processing property taxes. Such costs include not only staffing, but also departmental indirect (overhead) costs such as administrative salaries, services and supplies, etc. Departmental indirect cost here describes the allocation of costs of a department or organization which are common to two or more of its functions.

Because the sole function of the assessor and the county board of equalization and assessment appeals board is to properly value taxable property, all of their costs are normally related to property tax administration. However, the assessor's function should be reviewed; and the cost of services being performed outside of the property tax function should be excluded from these calculations. The EXCEPTION is when the county is reimbursed for those services. In this situation, the cost is included, and the reimbursement revenue is an offset as discussed below.

Because the tax collector and auditor have some responsibilities unrelated to property tax administration, appropriate departmental direct costs, such as salaries, benefits, services and supplies, must be calculated and assigned to the property tax function. Document the process of assigning these costs well, to facilitate future evaluations and audits of this process.

THE COSTS OF AN ASSESSMENT APPEALS BOARD SHOULD BE INCLUDED EFFECTIVE FISCAL YEAR 1996-97 per amendment of Section 95.3 (a) of the R&T Code, Chapter 1073, Statutes of 1996. This includes clerk of the board and county counsel costs incurred on behalf of the appeals board in addition to those costs incurred for the assessor, tax collector and auditor. These costs should be included either by direct interdepartmental charges to the appeals board and the assessor's budget units or through the cost allocation plan.

OVERHEAD COSTS are calculated in accordance with Federal Office of Management and Budget (OMB) Circular A-87 standards, per R&T Code Section 95.3. This circular establishes principles and standards for determining costs applicable to Federal grants, contracts, and other agreements with state and local governments. For each fiscal year, the

recovery of indirect overhead costs should be based on the allocation of the prior year's actual costs, pursuant to Circular A-87 standards. Fixed asset depreciation is generally considered part of overhead pursuant to Circular A-87, and therefore the direct expenditure for purchase of capital items should not be included in direct costs. Please note that overhead costs will vary from county-to-county, depending upon the procedure used in each county for classification of particular costs as direct or indirect. For example, computer costs may be charged in one county as direct costs, but charged as indirect costs through its A-87 plan in another county.

OFFSETTING REVENUES are revenues received, in accordance with State statutes, to reimburse counties for portions of property tax administration. These revenues should be used to offset the direct and overhead property tax related costs. Penalty revenues for late payment of taxes, (e.g. penalties on current delinquent taxes per R&T 2617, 2618, 2992(a)(b), and 75.52(c)) and revenues recognized pursuant to Chapter 914, Statutes of 1995, should NOT be included as revenue offsets, even though expenditures of these funds are includable costs. The following are examples of valid offsetting revenues:

- Supplemental Tax Administration Reimbursement, R&T 75.60
- Special Assessment Administration Fee, Government Code (G.C.) 29304 & 51800
- Tax Collector \$10 Cost for preparing delinquent list, R&T 4653.8
- Assessor Mapping Fees
- Tax Defaulted Land Sale Fees (actual and reasonable cost of personal contact and actual and reasonable cost of notice), R&T 4112
- Tax Sales Administration Charges, R&T 4672.1 & .2
- Redevelopment Base Year Projected Revenues Fee, Health & Safety Code (H&S) 33328.7 & 33607
- 1915 Act Assessment Collection Charges, Streets & Highways Code 8682
- Any Other Property Tax Administration Reimbursement Revenue

The net amount after offsetting revenues against property tax administrative cost will be allocated in accordance with R&T 95.3.

DIRECT CREDITS are fees paid by local jurisdictions for property tax services such as the negotiated ¼% of ad valorem tax charged to special districts under Government Code 29142. These should be recognized as a direct credit to each jurisdiction's allocated share of administrative costs rather than as an offset to gross costs. However, amounts collected for debt service levies and special assessments are offsets to the gross property tax administrative costs subsequently allocated to each jurisdiction.

See Exhibit I on the next page for an example of the cost data and calculations involved.

Property Tax Administrative Cost Calculation

Description	Assessor	Tax Collector	Auditor	County Board of Equalization/ Assessment Appeals Board	All Dept Totals
Direct Costs					
Salaries & Employee Benefits	7,500	2,500	1,500	500	12,000
Services & Supplies	950	500	450	150	2,050
Other Charges	500	200	75	25	800
Indirect					
Allocated Dept Costs		600	400		1,000
1) Clerk of the Board				50	50
1) County Counsel	50			50	100
A-87 Overhead	<u>400</u>	<u>200</u>	<u>100</u>	<u>50</u>	<u>750</u>
Gross Costs	9,400	4,000	2,525	825	16,750
Offsetting Revenues					
Supplemental Tax Admin. Reimbursement, R&T 75.60	150	200	150		500
Any Other Property Tax Admin. Reimbursement Revenue	<u>200</u>	<u>500</u>	<u>500</u>	<u>50</u>	<u>1,250</u>
Total Offsetting Revenue	350	700	650	50	1,750
Net Cost	<u>9,050</u>	<u>3,300</u>	<u>1,875</u>	<u>775</u>	<u>15,000</u>
1) If not included in A-87 or Services & Supplies above					

II. PROPERTY TAX ADMINISTRATIVE COST APPORTIONMENT FACTORS

Exhibit II on the next page is a basic model for calculating the administrative cost apportionment factors and allocating the property tax administrative costs determined in Exhibit I, page 5, to various jurisdictions.

Elements of the model are identified by column for each given entity:

- A. Gross AB8 property tax allocations for the current fiscal year per R&T Code §95.2, §96.1 and §96.2.
- B. Net allocations to redevelopment agencies (See notes 1 and 2).
- C. Amounts allocated from the 1% portion of the unitary and operating non-unitary property tax, R&T 100.
- D. Calculated total tax revenue = A + B + C (see the notes for Exhibit II on page 7).
- E. Calculated allocation factors obtained by dividing each jurisdiction's total revenue by the total revenue of all jurisdictions, i.e. City A total in Col. D/Col. D total.
- F. Calculated amount of each jurisdiction's proportionate share of cost derived by multiplying its administrative cost apportionment factor in Column E by the net administrative cost of \$15,000.
- G. Amount of cost recoverable from affected jurisdictions, obtained by bringing over the Column F amount for each jurisdiction other than schools and ERAF, which are excluded from this cost recovery process.

ADMINISTRATIVE COST APPORTIONMENT FACTORS

Jurisdiction	-A- Gross AB 8 Allocation	-B- Net RDA Tax Increment Notes (1)(2)	-C- Unitary & Operating Non-Unitary	-D- Total Included Tax (A+B+C)	-E- Administrative Cost Apportionment Factors	-F- Allocation of Cost Note (3)	-G- Schools, ERAF, & Direct Credits Notes (4)(5)	-H- Cost Deducted from Tax (F+G)
County	220,000	(20,000)	800	200,800	20.63%	3,094		3,094
City A	62,000		300	62,300	6.40%	960		960
City B	78,000	(10,000)	300	68,300	7.02%	1,053		1,053
District C	40,000	(3,000)	100	37,100	3.81%	572	(100)	472
District D	30,000	(8,000)	100	22,100	2.27%	341	(75)	266
District E								
Subsidiary of City A	40,000	-	150	40,150	4.13%	620	-	620
District F								
Subsidiary of City A	50,000	-	200	50,200	5.16%	774		774
Schools	250,000	(10,000)	950	240,950	24.76%	3,713	(3,713)	-
ERAF	200,000	(1,000)		199,000	20.45%	3,067	(3,067)	-
Redevelopment Agency G	-	38,000	150	38,150	3.92%	588		588
Redevelopment Agency F	-	14,000	100	14,100	1.45%	218	-	218
TOTALS	970,000	-	3,150	973,150	100.00%	15,000	(6,955)	8,045

- (1) "Net" allocations to redevelopment agencies should be after adjusting for (only) those pass through agreements that are administered by the auditor as authorized in Health & Safety code 33676.
- (2) For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB 8 calculation process, Column B would not be an element in this calculation. However, "pass throughs" (Note 1 above) would be added in the above formula.
- (3) Cost as calculated per Exhibit I, pg. 5 = \$15,000
- (4) Schools and ERAF are excluded from this recovery process.
- (5) Direct credits described in Section I, page 4.

SECTIONS III AND IV BELOW ARE RESTATEMENTS OF THE RELEVANT COST SECTIONS.

III. REVENUE AND TAXATION § 96.2: “PROPERTY TAX APPORTIONMENT FACTORS”

Except as otherwise provided in Section 96.21 or 96.22, for the purpose of apportioning property tax revenues each fiscal year:

- a) The amount of property tax revenue allocated pursuant to subdivision (a) and (b) of Section 96 or subdivision (a) of Section 96.1, modified by any adjustments made pursuant to Section 99 or 99.2, and subdivision (e) of Section 96.5, shall be combined to compute the total amount of property tax revenue allocated to the jurisdiction with respect to the tax rate area.
- b) The total amount of property tax revenue allocated to each jurisdiction with respect to all tax rate areas as determined pursuant to subdivision (a) shall be added to compute a total amount of property tax revenue for a jurisdiction of all tax rate area.
- c) Each amount determined pursuant to subdivision (b) shall be divided by the total of all those amounts computed. The quotient determined shall be used to apportion actual property tax collections and shall be known as the “property tax apportionment factors.”
- d) For the 1980-81 fiscal year and each fiscal year thereafter, prior years’ property tax revenues shall be apportioned using the factors determined pursuant to subdivision (c) for the immediately preceding fiscal year.
- e) Notwithstanding this section, property tax revenues may be apportioned by tax rate area.

IV. REVENUE & TAXATION § 95.3: “ADMINISTRATIVE COST APPORTIONMENT FACTOR”

- a) Notwithstanding any other provision of law, for the 1990-91 fiscal year and each fiscal year thereafter, the auditor shall divide the sum of the amounts calculated with respect to each jurisdiction, Educational Revenue Augmentation Fund (ERAF), or community redevelopment agency pursuant to Sections 96.1 and 100, or their predecessor sections, and Section 33670 of the Health and Safety Code, by the countywide total of those calculated amounts. The resulting ratio shall be known as the “administrative cost apportionment factor” and shall be multiplied by the sum of the property tax administrative costs incurred in the immediately preceding fiscal year by the assessor, tax collector, county board of equalization and assessment appeals boards, and auditor to determine the fiscal year property tax administrative costs proportionately attributable to each jurisdiction, ERAF, or community redevelopment agency. For the purposes of this paragraph, property tax administrative costs shall also include applicable administrative overhead costs allowed by the federal Office of management and Budget circular A-87 standards, but shall not include any amount reimbursed pursuant to Section 75.60 and former 98.6, unless a county meets the conditions of paragraph (2) of subdivision (b), of Section 75.60. However, no amount of funds appropriated to counties for purposes of property tax administration in Item 9100-102-001 of the Budget Act of 1994 or any subsequent Budget Act shall result in any deduction from those property tax administrative costs that are eligible for reimbursement pursuant to this subdivision.
- b) (1) Each proportionate share of property tax administrative costs determined pursuant to subdivision (a), except for those proportionate shares determined with respect to a school entity or ERAF, shall be deducted from the property tax revenue allocation of the relevant

jurisdiction or community redevelopment agency, and shall be added to the property tax revenue allocation of the county. For purposes of applying this paragraph for the 1990-91 fiscal year, each proportionate share of property tax administrative costs shall be deducted from those amounts allocated to the relevant jurisdiction or community redevelopment agency after Jan. 1, 1991.

(2) It is the intent of the Legislature that the portion of those shares of property tax administrative costs that are calculated by the auditor for each fiscal year pursuant to subdivision (a) for school entities and the county's ERAF, that is attributable to the county's costs in providing boards and hearing officers for the review of property tax assessment appeals, be calculated by local officials and reimbursed by the state in the time and manner specified by a future act of the Legislature that makes an appropriation for purposes of that reimbursement.

- c) Reductions made pursuant to this section to property tax revenue allocations shall be made without regard to Section 907 of the Government Code.
- d) Any additional amounts of property tax revenue allocated to the county pursuant to this subdivision shall be used only to fund costs incurred by the county in assessing and collecting property taxes, and in allocating property tax revenues, and shall constitute charges for those services, not exceeding the actual and reasonable costs incurred by the county in performing those service.
- e) It is the intent of the Legislature in enacting this subdivision to recognize that since the adoption of Article XIII A of the California Constitution by the voters, county governments have borne an unfair and disproportionate part of the financial burden of assessing, collecting, and allocating property tax revenues for other jurisdictions and for redevelopment agencies. The Legislature finds and declares that this subdivision is intended to fairly apportion the burden of collecting property tax revenues and is not a reallocation of property tax revenue shares or a transfer of any financial or program responsibility.
- f) Commencing with the 1992-93 fiscal year and each fiscal year thereafter, this subdivision shall supersede and replace Section 95.2, as authority for a county to recover property tax administrative costs.
- g) This section shall apply to the entire 1993-94 fiscal year, regardless of the operative date of the act adding the predecessor to this section, and to each fiscal year thereafter.

ARTICLE XIII B

CALIFORNIA CONSTITUTION

APPROPRIATION LIMIT

PROCEDURE GUIDELINES

FOR

CALIFORNIA COUNTIES

Prepared by

COUNTY ACCOUNTING STANDARDS

AND PROCEDURES COMMITTEE

11/90

FOREWORD

These guidelines were developed, with input from the County Supervisors Association of California, California Taxpayers Association, State Department of Finance, and State Board of Equalization, and by a sub-committee of the County Accounting Standards and Procedures Committee which is chaired by the State Controller's Office. In turn, these guidelines were reviewed and approved by the County Accounting Standards and Procedures Committee. In preparation of these guidelines every effort has been made to offer the most current, correct, and clearly expressed information possible. Its purpose is to provide guidelines on matters relative to Article XIIB.

Hundreds of hours were volunteered in order to make these guidelines possible. The State Association of County Auditors and the County Accounting Standards and Procedures Committee wish to thank all those who participated in the completion of these guidelines.

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I. INTRODUCTION

California voters, in November of 1979 passed Proposition 4, which added Article XIII B to the State Constitution. This article establishes limits on the appropriation of proceeds of taxes. In June of 1990 the voters passed Proposition 111 which updates the States' appropriation limit to allow for new funding for priority state programs, while still providing an overall limit on state and local spending.

The provisions of Proposition 111 are effective July 1, 1990. To facilitate the implementation of the revised article, the County Accounting Standards and Procedures Committee, hereinafter referred to as the committee, has prepared these guidelines.

As with the guidelines developed to implement the provisions of Proposition 4 the objective of these guidelines are: (1) develop a reasonable document counties may rely upon as an accepted standard to follow in complying with the article, (2) promoting uniformity in the implementation of the article and (3) eliminating unnecessary, costly, time consuming and burdensome documentation and recordkeeping.

Major Proposition 111 Changes

Affecting Counties

* Proposition 111 Changes the Appropriation Limit Formula. Previously, in general, the "limit" was based upon the 1978-79 proceeds of taxes adjusted annually for population and cost of living changes. Proposition 111 establishes new cost of living factors and new population factors for use by local governments.

Cost of Living:

Local governments may annually choose by a recorded vote of the governing body either:

- The change in California per capita personal income or,
- The percentage change in the jurisdiction's assessed valuation which is attributable to nonresidential new construction.

Population:

Counties may annually choose one of the following:

- the change in population of the jurisdiction.
- the change in population of the jurisdiction combined with the change within all counties having borders contiguous to that county.
- the change in population within the incorporated area of the county.

These new factors shall be applied to the established 1986-87 F. Y. appropriations limit and adjusted annually for each subsequent year to determine the 1990-91 fiscal year appropriations limit.

* Proposition 111 Changes Excess Revenue Calculation. Previously, the calculation to determine if proceeds of taxes received were in excess of the limit was made annually. Now proceeds of taxes which exceed the limit in one year may be carried over to the succeeding year. The portion of carried-over revenue which cannot be included within the following year's limit is considered excess revenue and must be returned within the next two fiscal years.

* Proposition 111 Increases Appropriations Not Subject to the Limit. Appropriations for the following items have been defined by Proposition 111 to be appropriations not subject to the limit. See section II of this guide for a complete listing and definitions of appropriations not subject to the limit.

- a) Qualified Capital Outlay Projects.
- b) Highway Users tax in excess of \$0.09 per gallon.
- c) Sales and use tax on the increment of tax specified in (b).
- d) Emergencies.

II. DEFINITIONS AND INTERPRETATIONS

The following definitions and interpretations have been made using various sources as referenced. These definitions and interpretations were made to only apply to the determination of an appropriation limit as required by Article XIII B of the California Constitution.

Proceeds of Taxes

Proceeds of Taxes "shall include, but not be restricted to, all tax revenues and the proceeds to an entity of government, from (i) regulatory licenses, user charges, and user fees to the extent that such proceeds exceed the costs reasonably borne by such entity in providing the regulation, product, or service, and (ii) the investment of tax revenues. With respect to any local agency, 'proceeds of taxes' shall include subventions received from the state, other than pursuant to Section 6 of this Article, and, with respect to the state, proceeds of taxes shall exclude such subventions."

Also excluded from proceeds of taxes are proceeds from a license tax imposed pursuant to Health and Safety Code Section 25149.5 or a tax or fee imposed pursuant to Health and Safety Code Section 25173.5 on the operation of a hazardous waste facility. In addition, a surcharge collected by a regional disposal facility authorized pursuant to Health and Safety Code Section 25878. Proceeds from the license tax, tax, fee, or surcharge are excluded to the extent that they are expended for cost or increased burdens to the local jurisdiction which are associated with the hazardous waste facility or regional disposal facility. Appendix A provides a listing of proceeds and non-proceeds of taxes.

(Reference: Article XIII B Section 8C and Government Code Section 7901 amended by Chapter 60 Statutes of 1990.)

State Subventions

State subventions shall include only money received by a local agency from the state, the use of which is unrestricted by the statute providing the subvention.

(Reference: Government Code Section 7903 as add by Chapter 1205 Statutes 1980)

The article includes all state subventions as proceeds of taxes and subject to limitation. However, the above definition requires each state subvention be analyzed for restrictions. Refer to appendix A for those state subventions determined by this committee to be unrestricted and classified as proceeds of taxes.

Cost Reasonably Borne

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Cost reasonably borne shall incorporate all appropriations by an entity for reasonable costs appropriate for the continuation of service over time. This includes ongoing expenses such as operation costs and a reasonable allocation for overhead, depreciation and administration. Also included, are reasonable allocations for start-up costs and future

capacity .The reasonable allocation for capital replacement, expansion of services, and repayment of related bond issuances would be considered "costs reasonably borne."

Revenues in excess of the cost reasonably borne are classified as proceeds of taxes.

(Reference: Summary of Proposed Implementing Legislation and Drafters' Intent)

Encumbrance

Commitments related to unperformed (executory) contracts for goods or services. Used in budgeting, encumbrances are not GAAP expenditures or liabilities, but represent the estimated amount of expenditures ultimately to result if unperformed contracts in process are completed.

(Reference: Governmental Accounting Auditing and Financial Reporting, 1988)

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Outstanding encumbrances at year-end shall be treated as a reserve as provided for in Section V of Article XIII B. Outstanding encumbrances at year-end shall be included in the year the encumbrance was initially appropriated and shall not be considered in future appropriations subject to limitation.

Section V Funds

As discussed in Section V of the Article, contributions to such funds or accounts to the extent that such contributions are derived from proceeds of taxes shall, for purposes of Article XIII B, constitute appropriations subject to limitation in the year of the contributions. Neither withdrawals from any such funds or accounts nor expenditures of such funds or withdrawals nor transfers between or among such funds or accounts shall, for purposes of this Article, constitute appropriations subject to limitation.

(Reference: Summary of Proposed Implementing Legislation and Drafters' Intent)

Return of Taxes

For all entities of government other than the state, revenues received in excess of the amount which may be appropriated in compliance with Article XIII B in a fiscal year and the fiscal year immediately following shall be returned by a revision of tax rates or fee schedules within the next two fiscal years.

Revenue in excess of the limit may be appropriated in the current year (year 1) for a statutory exclusion. The excess may also be appropriated in the year immediately following (year 2) within the limit or for statutory exclusions.

If the entity does not include the excess revenue by the end of the year immediately following, it must return the excess in the next two subsequent fiscal years (years 3 and 4).

Excess revenues must be identified and tracked by fiscal year to insure the entity was able to appropriate the excess revenue within years 1 or 2 in compliance with the Article or demonstrate the return of the excess within years 3 or 4.

A return of excess revenue may be granted by a tax rate adjustment or tax refund by providing a temporary suspension of tax rates or fee schedules or any other means consistent with the intent of the implementing act.

(Reference: Article XIII B Section 2(b) and Government Code Section 7911 as added by Chapter 1205 Statutes of 1980.)

Change in Cost-of-Living

Change in cost-of-living for an entity of local government shall be either:

- a) The percentage change in California per capita personal income from the preceding year; or
- b) The percentage change in the local assessment roll from the preceding year due to the addition of local non-residential new construction.

Each county must select its methodology annually by a recorded vote of the governing body.

(Reference: Article XIII B Section 8(e)(2))

Change in California Per Capita Personal Income

Means the number resulting when the quotient of the California per capita personal income, as published by the U.S. Department of Commerce in the Survey of Current Business for the fourth quarter of a calendar year, is divided by the civilian population on January 1 of the next calendar year, is divided by the similarly determined quotient for the next prior year. The Department of Finance will notify each local jurisdiction no later than May 1 of each year, of the change in California Per Capita Personal Income.

(Reference: Government Code Section 7901 and 7909 as added by Chapter 1205, Statutes 1980)

Non-Residential New Construction

To determine the percentage change in your county's assessed valuation which is attributable to non-residential new construction, the following equation should be used:

$$\frac{\text{Nonresidential New Construction Growth from Prior Year}}{\text{Total CY Local Assessment Roll Growth From Prior Year}} = \text{Percentage Change Nonresidential New Construction Percentage}$$

The Nonresidential New Construction and Local Assessment Roll Amounts should be provided to you by your county's Assessor for the prior and current year, in order to calculate growth. The current year Local Assessment Roll Growth is defined to be the growth from the prior year in the Secured and Unsecured Rolls. The current year Local Assessment Roll Growth can be determined by comparing the prior year rolls to the current roll maintained in your office.

Note: The amounts used for Nonresidential New Construction and Local Assessment Roll should be gross totals prior to exemptions. Therefore, exempted nonresidential properties will be included in the calculation of the percentage change due to Nonresidential New Construction. This is based on the theory that these nonresidential properties, while exempt from property taxes, still receive service and therefore the county should be allowed to adjust their limit by the full effect of nonresidential new construction.

Change in Population

Change in population for a local agency means the number resulting when the percentage change in population for the calendar year in question, as estimated by the Department of Finance pursuant to Section 2227 of the Revenue and Taxation Code for each city and county and Section 2228 of the R & T Code for each special district plus 100, is divided by 100.

A county may choose one of the following to determine change in population:

- a) The change in population within its jurisdiction.
- b) The change in population within its jurisdiction, combined with the change in population within all counties having borders that are contiguous to that county.
- c) The change in population within the incorporated portion of the county.

To determine the population change for option (b) above, the sum of the population changes for the county and all contiguous counties should be divided by the total of the population of the county and all contiguous counties.

A charter city and county may use either the change in population within its jurisdiction or the methodology provided in Section 2 of Chapter 1221 Statutes of 1980.

(Reference: Government Code Section 7901 amended by Chapter 60 Statutes of 1990 and Chapter 1221 Statutes of 1980))

Appropriation

A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation usually is limited in amount and time it may be expended.

(Reference: Governmental Accounting Auditing and Financial Reporting, 1988)

Included within appropriations should be the provisions for reserves. Appropriations plus provisions for reserves will equal total appropriations for purposes of Article XIII B.

Review of Limit

Proposition 111 (Section 1.5 of Article XIII B) requires that the annual calculation of the Limit be reviewed as part of an annual financial audit. The committee recommends the following interpretations of that requirement:

- The review will address computations made subsequent to the 1986-87 fiscal year. The review will consider only the adjustments made to the Limit from one fiscal year to the next.
- If a county decides to revise prior year Limits, the annual review will address those changes relative to their impact on the current year's Limit.
- The review will evaluate the accuracy of the computations and the adequacy of documentation. Completed worksheets reflect the computation of the limit, along with required Board of Supervisors' resolutions will provide adequate documentation needed for the review.
- The review will include the following procedures:
 - Determine that the Appropriations Limit resulting from the completion of worksheets was adopted by the Board of Supervisors.
 - Determine that the current limit was calculated in accordance with these guidelines.
- The determination of whether actual revenues exceeded the Appropriations Limit should take place pursuant to other responsibilities of the financial auditor.

Appropriations not Subject to Limitation (Statutory Exclusions)

Revenues received from the federal government are not subject to limitations and are considered non-proceeds of taxes. Other appropriations not subject to the limit would be (1) debt service (on indebtedness existing or legally authorized as of 1/1/79, or thereafter approved by the voters), (2) those required for complying with mandates of the court or federal government which require additional or increased cost of providing a service (see appendix B for examples), (3) special districts levying a 12 1/2 cent tax rate or less in the 1977/78 fiscal year, or which is totally funded by other than proceeds of taxes, (4) appropriations related to qualified capital outlay projects and, (5) appropriation of the following:

- a) proceeds from tax imposed on motor vehicle fuels at a rate in excess of \$0.09 per gallon.
- b) sales and use tax on the increment of tax in (a) above.

- c) certain expenditures for Governor declared emergencies.

The following is a further discussion of appropriations not subject to limitation.

Qualified Capital Outlay Project The legislature has defined an appropriation for a qualified capital outlay project to be an appropriation for a fixed asset (including land and construction) with a useful life of 10 years or more and a value of \$100,000 or more.

(Reference: Government Code Section 7514 as added by Chapter 60 Statutes of 1990).

The Committee recommends that this definition include the costs of:

- annual debt service and other financing costs
- certificates of participation
- lease-purchases
- periodic contributions into a capital project fund, provided that the funds are used to purchase an eligible capital asset
- purchases or rehabilitation which enhances the value of or extends the life of existing property, provided that the equipment, land, facility, and/or project costs meeting the dollar and life expectancy criteria above.

Some items which would not be considered qualified capital outlay include:

- leases (operating)
- collections of lower-priced assets which, when aggregated, total more than \$100,000
- regular maintenance of assets

It is important to count only that portion of the asset(s) which are purchased with tax proceeds. An asset with multiple funding sources should be pro-rated in order to determine how much is exempt from the Appropriations Limitation.

Counties should take care to evaluate any contracts they might have with other agencies to see if the County is possibly purchasing (and obtaining title to) qualified capital outlay project/asset through the contract arrangement. If that is the case, the County should exempt the cost from its limit.

Emergency. In the event of an emergency declared by the Governor, appropriations approved by a 2/3's vote of the legislative body of the affected entity to an emergency account for expenditures relating to that emergency, shall not constitute appropriation subject to limitation.

(Reference: Article XIII B Section 2(c)(2))

Redevelopment Agency may be effectively excluded from appropriation limits if the agency is primarily financed by 'tax-increments'. SB 1972, Chapter 1342 Statutes of 1980 provides that 'tax-allocation financing' are not proceeds of taxes to the extent appropriated for repayment of debt incurred for the 'redevelopment activity'.

Assessment District must be analyzed as to what purpose it serves and the type of revenue received in order to determine if the district is subject to the Article.

Special assessments on property, imposed on a benefit-received basis for the purpose of improving the property through the construction of related facilities, have traditionally not been considered taxes. The appropriation of assessments of this type would not be governed by Article XIII B.

Since the passage of Article XIII B, there have been new types of assessments (special taxes) authorized by the legislature which may be levies for purposes for which assessments have not been traditionally used. The new types of assessments are for ongoing governmental operations and services that have traditionally been supported by general taxes and are considered taxes subject to the Article. Two examples of these revenue sources authorized by the legislature are:

AB 618 (Chapter 397 Statutes of 1979) police and fire protection standby or availability charge.

AB 549 (Chapter 261 Statutes of 1979) lighting districts, service areas, maintenance district to assess for ongoing services.

Joint Power Agency would not be separately subject to the Article because its service territory is indefinite and its revenue sources originate from the individual contributing agencies. The appropriations of the creating or supporting entities would be controlled by their respective limits.

Multi-Purpose Agency are in most cases, interrelated activities and are singularly subject to the Article. However, the appropriation limit amounts may be identified separately by function or fund within the entity.

Enterprise Funds. The characteristics of an enterprise fund generally allow expenses to be funded through user fees and charges. Included within the fees and charges should be an amount for depreciation as well as future expansion. From the definition of "cost reasonably borne" it would follow that appropriation limits would not apply to the enterprise fund itself.

However, residual equity transfers from an enterprise fund to an operating fund would be considered proceeds of taxes to the recipient fund.

III. CONCEPTS AND PROCEDURES

Various concepts and procedures have been agreed upon and adopted by this committee for use in establishing an appropriation limit. As each is discussed in detail, there will be a reference to its application to, or effect on, the matrix example found in Appendix A, (all columns references are to Appendix A).

Classification of Revenues

The Article requires the classification of all revenue as either proceeds of taxes or non-proceeds of taxes. The appropriation limit shall be based upon revenues classed as proceeds of taxes. Therefore, the matrix example in Appendix A begins with classifying each revenue account contained in the County Accounting Standards and Procedures Manual into these two types of revenues, see columns 1 and 2. The basis for allocation will differ for each revenue item, depending upon source, legal requirement, etc. Column 3 entitled "allocable" is for those revenues which are comprised of elements of both proceeds and non-proceeds of taxes requiring analysis and allocation between columns 1 and 2. The most common revenue item requiring allocation is interest. Interest as well as any other revenue source susceptible to allocation should be analyzed prior to making the allocation. Refer to Appendix A for other examples of allocable revenues.

Determining Excess Revenue

The Article indicates that proceeds of taxes subject to the appropriation limitation include revenues from regulatory licenses, user charges and user fees in excess of costs reasonably borne. In order to determine these amounts, you should identify and compare the cost of providing a service to the fee that is charged for that service.

This committee is recommending as a reasonable and conservative alternative to this method the concept of comparing total revenues from other than proceeds of taxes to the total cost aggregated by category. This method should increase the timeliness and efficiency of required calculations while reducing the cost of determining the cost reasonably borne. The aggregation, as outlined in the matrix is suggested as a minimum breakdown. Some counties may elect to split these groupings into finer detail, as their needs require.

Calculating the Limit (Prop. 111)

The Article as amended in 1990 requires the 1990-91 fiscal year limit to be based upon the established 1986-87 limits. The established 1986-87 limits shall be adjusted annually, for each intervening year between 1986-87 and 1990-91, for the change in the cost of living and the change in population.

(Reference: Article XIIB, Sections 1 and 10.5)

This calculation is made by first multiplying the 1986-87 limit by the change in cost of living from the preceding year as defined in Section II of this guide, then multiplying this product by the change in population for the preceding year as defined in Section II of this guide. This final product will be adjusted for each of the three succeeding fiscal years in determining the 1990-91 limits.

Adjustments to the Limit

Transfer of Responsibility Once the appropriation limit has been established, it can be adjusted in several manners. As already discussed, the prior year limit is adjusted for cost -of-living and population changes to arrive at the current year limit.

In the event the financial responsibility of providing a service and/or program is transferred, in whole or in part, to another unit of government, the appropriation limit requires adjustment. The entity assuming the added responsibility shall increase its appropriation limit by a reasonable amount while the entity giving up the responsibility shall decrease its appropriation by the same reasonable amount. The limit shall be adjusted in the year the transfer becomes effective.

Similarly, if a governmental entity transfers a responsibility to a private entity or the financial source for the provision of services is transferred from other revenues to regulatory licenses, user charges or fees, then the appropriation limit of the governmental entity shall be decreased accordingly.

Transfers and or adjustments to the limit during 1986/87 through 1989/90 should be taken into consideration when calculating the 1990/91 limits. Transfers of limits due to annexations, for example, should be multiplied by the applicable annual factors and either added to or subtracted from the calculation of the 1990/91 limit depending upon whether your entity accepted additional responsibilities or transferred responsibilities to another entity.

Emergency. The appropriation limit may be exceeded in the event of a locally declared emergency. However, the appropriation limit in the following three years must be reduced accordingly to prevent an aggregate increase resulting from the emergency.

Election. The appropriation limit may be established or changed by the electors of such entity. The duration of such change shall not exceed four years.

Voter approved limit increases (overrides) should be included in adjusting the 1986/87 established limit. However, in accordance with the article, four years following approval, the increase (override) together with applicable annual adjustments must be subtracted from the limit.

Errors and Omissions. Legislative implementation of Article XIIB of the California Constitution was accomplished with Chapter 1205 of the Statutes of 1980 and Chapter 60 Statutes of 1990. Since the Gann Initiative is basically self-executing, reasonable interpretations of undefined terms and ambiguous provisions should be upheld without an unduly burdensome amount of legislative direction. The intent of the drafters was to keep

the appropriations limitation accurate in case significant errors were found, such as population data. To this end, keeping the limitation accurate, they said:

..."Errors need not be corrected retroactively for past fiscal years. The spending in those years is complete, and it would prove an undesirable disruption to re-compute each past year's appropriations limitation. However, the cumulative effect of past miscalculations must be factored out of current and future appropriation limit calculations."

(Reference: Summary of Proposed Implementing Legislation and Drafters' Intent)

Compliance Calculations

Each year counties should perform the necessary calculations to determine if year-end proceeds of taxes subject to the limit have exceeded the limit. This is accomplished by following the same procedure used in establishing the appropriation limit, however, when classifying revenues, actual revenues will be used.

IV APPENDIX A

CHART OF ACCOUNTS

CLASSIFICATION OF REVENUES

CHART OF ACCOUNT
CLASSIFICATION OF REVENUES

Chart of Account No.	Account Title	Proceeds of taxes 1	Non- Proceeds of taxes 2	Allocable 3	Category
1-9	Taxes Licenses, Permits & Franchises	X			
10	Animal Licenses		X		
11	Business Licenses		X		Other Protection
12	Construction Permits		X		Other Protection
13	Road privileges & Permits		X		Building & Planning
14	Zoning Permits		X		
15	Franchises	X	X**		Road & Facilities
16	Other Licenses & Permits		X		Building & Planning
	Fines, Forfeitures & Penalties				
17	Vehicle Code Fines		X		Other Protection
18	Other Court Fines		X		
19	Forfeitures & Penalties		X		
	Revenue From Use of Money				
30	Interest			X	
31	Rents on Concessions			X	
32	Investment Income*			X	
33	Royalties		X		
	Aid from other Gov't'l Agencies*				
40	State Aid for Aviation		X		
41	State-Highway Users Tax		X		
42	State-Motor Vehicle In-Lieu Tax	X			
43	State-Trailer Coach In-Lieu Tax	X			
44	State Other In Lieu Taxes	X			

CHART OF ACCOUNT
CLASSIFICATION OF REVENUES

Chart of Account No.	Account Title	Proceeds of taxes 1	Non- Proceeds of taxes 2	Allocable 3	Category
45	State-Public Assistance-Admin.		X		
46	State-Aid for Public Assistance Program		X		
47	State-Health Admin.		X		
48	State-Children Services		X		
49	State-Aid for Cerebral Palsy		X		
50	State-Aid for Mental Health		X		
51	State-Aid for Tuberculosis Control		X		
52	State-Other Aid for Health		X		
53	State-Aid for Agriculture		X		
54	State-Aid for Civil Defense		X		
55	State-Aid for Construction		X		
56	State-Aid for Corrections		X		
57	State-Aid for County Fairs		X		
58	State-Aid for Disaster		X		
59	State-Aid for Veterans Affairs		X		
60	Homeowners' Property Tax Relief	X			
61	State-Trial Court		X		
62	State-Other* Tax Defaulted Land Rentals	X			
	Aid for Juvenile Hall		X		
	Cigarette Taxes	X			
	Subvention for County Libraries		X		
	Recoveries from Absent Parents		X		
	Recoveries from Open-Space	X			

CHART OF ACCOUNT
CLASSIFICATION OF REVENUES

Chart of Account No.	Account Title	Proceeds of taxes 1	Non- Proceeds of taxes 2	Allocable 3	Category
	Off-Highway License Fees		X		
	Cotton bale In-Lieu	X			
63	Federal-Public Assistance Admin		X		
64	Federal-Public Assistance Program		X		
65	Federal-Health Admin		X		
66	Federal-Aid For Construction		X		
67	Federal-Aid for Disaster		X		
68	Federal-Forest Reserve		X		
69	Federal-Grazing Fees		X		
71	Federal-In Lieu Taxes		X		
72	Federal-Other		X		
73	Other In-Lieu Taxes		X		
74	Other Gov't Agencies			X	
	Charges for Current Services				
80	Assessment & Tax Collection Fees		X		General
81	Special Assessments		X		General
82	Auditing & Accounting Fees		X		General
83	Communication Svcs		X		General
84	Election Services		X		General
85	Legal Fees		X		General
86	Personnel Services		X		General
87	Planning & Engineering		X		General
88	Purchasing Fees		X		General
89	Agricultural Services		X		General
90	Civil Process Services		X		Criminal Justice
91	Court Fees & Services		X		Criminal Justice

CHART OF ACCOUNT
CLASSIFICATION OF REVENUES

Chart of Account No.	Account Title	Proceeds of taxes 1	Non- Proceeds of taxes 2	Allocable 3	Category
92	Estate Fees		X		Other Protection
93	Humane Services		X		Other Protection
94	Law Enforcement		X		Criminal Justice
95	Recording Fees		X		Other Protection
96	Road & Street Services		X		Road & Facilities Health
97	Health Fees		X		Health
98	Mental Health Services		X		Medical Care Services
99	California Children's Services		X		Medical Care Services
100	Sanitation Services		X		Sanitation
101	Adoption Fees		X		Public Assistance
102	Institutional Care & Services		X		Medical Care Services
103	Education Services		X		Education
104	Library Services		X		Recreation & Cultural
105	Park & Recreation Fees		X		Recreation & Cultural Services
106	Other		X		
107	Interfund Revenue* Miscellaneous Revenue*		X		
110	Welfare Repayments		X		Public Assistance
111	Other Sales*		X		
112	Miscellaneous Other Financing Sources*		X		
121	Sale for Fixed Assets* Miscellaneous Revenue*		X		
122	Operating Transfers in		X		
123	Long-Term debt proceeds Residual Equity transfers		X		
131	Residual Equity Transfers-In		X		

*Must determine category of revenue for these accounts

**Santa Barbara County Taxpayers Association

-vs-

Board of Supervisors for the County of Santa Barbara
Court of Appeal, 2nd District

V APPENDIX B

FEDERAL AND COURT MANDATES

Federal/Court Mandates

Section 9(b) of Article XIII B of the Constitution states that appropriations subject to limitation shall not include, "Appropriations required for purposes of complying with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the providing of existing services more costly".

A mandate requires, without discretion, an expenditure for additional services, or unavoidably make the providing of existing services more costly, and/ or jeopardizes the receipt of other revenue if a county fails to comply with a related law or regulation.

The county auditor should seek guidance from county counsel in determining if an appropriation is excludable under this provision of the Article.

The following is a list (not all inclusive) of both federal and court mandates having been determined to be eligible for exclusion by this committee.

Federal Mandates

1. Medicare Insurance
Coverage for certain employees
2. Fair Labor Standards Act
Overtime and related cost for specified employees
3. Increased Postage Cost
Resulting from rate increases
4. Social Security
Increase in employer contributions
5. Single Audit
Un-reimbursed cost associated with this audit
6. Uniform Allowances
Social security taxes paid under non-accountable plans.
7. Net county cost
Net county cost of federally mandated categorical aid programs and related administration
8. Unemployment insurance contributions
Contributions as determined by the City of Sacramento vs. State of California (No. 5006188)

Court-Ordered Mandates*

The following list of court mandates is not an all-inclusive list because court mandates are based on each individual county's litigation experiences. The list only represents those court mandates common to a number of counties.

1. Minimum security detention facility for female inmates
2. Increased net cost due to court mandates
3. Court-ordered jail expansion due to jail overcrowding, including costs of new jail facilities.
4. Court-ordered compensation for restricted mealtimes of peace officers (Madera Police Officers' Association vs. City of Madera).
5. Net county costs of court-ordered provision of defense of indigent defendants (costs of Public Defender and contract indigent defense attorneys).

* These mandates are generally applied on a county-by-county basis.

ELECTRONIC FUND TRANSFERS

UNIFORM GUIDELINES FOR CALIFORNIA COUNTIES

**Prepared by the
County Accounting Standards and Procedures Committee
February 1996**

The State Association of County Auditors and the County Accounting Standards and Procedures Committee wish to thank James Sadtler, County of Santa Clara for his participation in the completion of these guidelines.

ELECTRONIC FUND TRANSFERS

Counties are faced with an ever increasing demand to disburse cash via electronic means in addition to traditional warrants or checks. These electronic methods include wire transfers, payments of payroll taxes to the Federal and State governments via Automated Clearing House (ACH) debits of credits, and payments of "direct deposit" payrolls. Use of electronic transfers to pay claims is authorized by Section 53912 of the Government Code. With the exception of investments, Section 27005 of the Government Code allows the treasurer to disburse funds electronically only when authorized by the County Auditor.

Although the techniques for accomplishing the actual transfer vary depending upon the type of transfer and the banking relationships which exist for each county, internal controls must be established to ensure that such payments are made only to authorized accounts and that only those amounts which are authorized are paid. Although this section is worded with the electronic transfer of County funds in mind, the concepts presented are applicable to all electronic fund transfers, including investment transactions by the Treasurer and electronic transfers authorized by persons performing the duties of County Auditor for certain school and special districts.

The establishment of effective internal controls can only be achieved with the cooperation of the County Treasurer, the County Auditor, and the bank disbursing funds on behalf of the County. Factors to consider when establishing internal controls include the following:

1. Authorization of Accounts and Amounts

Policies should be in effect to ensure the following:

- a. The bank agreement prohibits the bank from transferring funds to accounts which are not approved by authorized personnel.
- b. Personnel authorized to approve accounts for the receipt of electronically transferred funds cannot also authorize the actual transfer.
- c. Bank records of electronic transfers are reconciled to county records of authorized transfers by personnel who cannot also authorize the actual transfer.
- d. Account numbers are reviewed for accuracy by comparing to written instructions from a third party (the vendor, etc.) or confirmed with the receiving bank.

2. Approval of Disbursements By County Auditor

With the exception of investment transactions, the Treasurer generally cannot legally process electronic transfers without the approval of the County Auditor. Electronic transfers should be subjected to the same level of audit and allowance procedures applicable to similar disbursements via warrants or checks.

3. Processing Timelines

Each county should establish deadlines for the completion of various steps associated with requesting and approving individual electronic transfers. Factors to consider when setting deadlines include:

- a. Timecard required by the County Auditor to “audit and allow” the underlying claim for payment.
- b. Time required by the County Auditor to prepare forms, if any, for input to the accounting system.
- c. Time required to establish new accounts for the receipt of electronic transfers.
- d. Time required for the Treasurer to adjust the investment portfolio to ensure that cash is available of the effective date of the transfer.
- e. Advance notice requirements imposed by the bank.
- f. Receiving banks located in other time zones.

4. Accounting For Electronic Transfer Transactions

Government Code Section 53912 requires that registers be maintained for electronic transfers which contain substantially the same information required by law to be recorded for warrants. Both the Treasurer and the Auditor must develop procedures to ensure that electronic transfers, including those of organizations authorized to audit and allow their own disbursements, are recorded as reductions of cash in the appropriate fund. The Auditor’s procedure must also ensure that appropriate balance sheet, revenue, or expenditure accounts are debited.

5. When Should Electronic Transfers Occur?

In situations where there is no viable alternative payment method (such as payroll taxes and debt service) the use of electronic transfers is virtually mandated. In other cases, use of electronic transfer mechanism is optional. Because of the added county processing costs and bank service charges, it is recommended that each county establish a policy regarding the types of disbursements and minimum transaction amounts which will be considered for electronic transfer approval.

Model A
HEWEGA COUNTY 1993-94
TAX SHIFT TO ERAF 92-93 CARRY FORWARD AND ADDITIONAL 93-94 SHIFT

	A	B	C	D	E	F	G	H	I	J	K	L
	92-93	93-94	93-94	92-93 ERAF ADJUST		93-94 ERAF Adjustments			93-94	93-94	Less 93-94	93-94
	AB8	Percent	AB8	Adj 4 92-93	Adj 4 93-94	93-94	93-94	93-94	Adj AB8	Adj AB8	Est RDA	Net Prop
	Allocation	Growth	Allocation	Growth	Growth	ERAF Amt	Per Capita	Adj4 Growth in 93-94	Allocation	Allocation Factors	Tax Increment	Amount
NOTE: Retroactive adjustment per AB2371 may be made to amounts either in COL C or COL I												
Hewega County G/F	45,000,000	104.50%	47,025,000	(3,750,000)	(3,918,750)	(12,300,000)	(223,000)	(13,068,535)	30,019,715	0.3656159	(590,000)	29,429,715
Hewega Co Fire Prot Dist	820,900	106.00%	870,154	(88,800)	(72,928)	(64,420)		(68,285)	728,941	0.0088779	(53,000)	675,941
Knowbooklezz Co Library	922,600	103.00%	950,278	(85,500)	(88,065)	0			862,213	0.0105011	(36,000)	826,213
NoH20hoz Fire District	1,010,800	102.50%	1,036,070			60,000		61,500	1,097,570	0.0133675	(23,000)	1,074,570
Ullteumweevum Fire Dist	6,630,000	104.75%	6,944,925	(850,000)	(890,375)	47,400		49,652	6,104,202	0.0743443	(100,000)	6,004,202
Phunandgaims Rec & Park Dist	5,808,000	105.50%	6,127,440	(832,500)	(878,288)	0			5,249,153	0.0639305		5,249,153
Weeklum Pest Abate Dist	257,500	104.50%	269,088	(25,300)	(26,439)	(88,518)		(92,501)	150,148	0.0018289		150,148
Yugottago Sanitation Dist	788,000	101.50%	799,820	0		(159,430)		(161,821)	637,999	0.0077703		637,999
City of Maulsgalar	12,000,000	106.00%	12,720,000	(1,046,400)	(1,109,184)	(1,700,000)	(66,000)	(1,871,960)	9,738,856	0.1188114	(395,000)	9,343,856
City of Yudantcomen (NO/LOV	1,250,000	107.50%	1,343,750	(104,900)	(112,768)	0	(33,000)	(35,475)	1,195,508	0.0145803	(91,000)	1,104,508
Yukantoomen Light Dist	143,200	107.50%	153,940	0		(13,898)		(14,940)	139,000	0.0016929	(13,000)	126,000
Yukantoomen Sanitation	3,597,000	107.50%	3,866,775	0		(280,817)		(301,879)	3,586,896	0.0434177	(270,000)	3,294,896
Yukantoonenanyoos Library	0	107.50%										
				(6,783,400)	(7,096,797)	(14,499,683)	(322,000)	15,522,245	22,619,040	0.2754817		
	78,228,000		82,107,240						82,107,240	100.00%		

A This is the AB8 allocated amount to any adjustments for ERAF, RDA ATI, or SDAFFY.

B The percent change is the growth from 92-93 to 93-94 net redevelopment tax increment amounts for each year.

C Total AB8 allocated amounts for 93-94 adjusted for growth and jurisdictional changes prior to ERAF, RDA.

D 92-93 amounts shifted to ERAF including 92-93 growth adjustment from each local district. NOTE amounts for county and cities exclude the 92-93 per capita shift and its growth.

E This is the 92-93 ERAF amount adjusted for 93-94 growth.

F This is the amount reported to each county auditor by the State Department of Finance in its letter dated July 9, 1993 and the amounts computed for each special district.

G This is the 93-94 per capita shift per Setion 97.02 based on \$0.80 for the County and \$1.02 for each city. NOTE the NO/LOW city is subject to the per capita shift only.

H Includes both the per capita amount and base shift amounts, ie, Col F puls Col G multiplied by the growth factor in Col B.

I This was computed by adding Col C, Col E and Col H.

J Approtionment factors to be used during 93-94 fiscal year.

K The estrimated 93-94 redevelopment tax increment for each district is based on the 92-93 amount plue growth for 93-94.

L This column is for reference only for comparison purposes to the 92-93 net property tax amounts.

1992 LEGISLATIVE SESSION
SENATE BILLS 617, 844, 1559 & ASSEMBLY BILL 3027
PROPERTY TAX SHIFT
UNIFORM GUIDELINES
FOR
CALIFORNIA COUNTIES

PREPARED by
COUNTY ACCOUNTING STANDARDS AND PROCEDURES
COMMITTEE
OCTOBER 1992

FOREWARD

These guidelines were developed, with input from the County Supervisors Association of California, California Legislative Analyst Office, State Department of Education, and by a sub-committee of the County Accounting Standards and Procedures Committee which is chaired by the State Controller's Office. In turn, these guidelines were reviewed and approved by the County Accounting Standards and Procedures Committee. In preparation of these guidelines every effort, has been made to offer the most current, correct, and clearly expressed information possible. Its purpose is to provide guidelines on matters relative to the 1992 Legislative Session Senate Bills 617, 844, 1559 and AB 3027.

However, you may have questions/issues/interpretations that either we have not anticipated or adequately addressed as part of these guidelines. If so, you may wish to seek the advice of your County Counsel.

Hundreds of hours were volunteered in order to make these guidelines possible. The State Association of County Auditors and the County Accounting Standards and Procedures Committee wish to thank all those who participated in the completion of these guidelines.

The County participants were:

Arrow, Richard	Marin County
Corcoran, Ken	Contra Costa County
Dole, Rod	Sonoma County
Elledge, Dave	Siskiyou County
James, Bernice	Santa Barbara County
McCauley, Tyler	Los Angeles County
McWaters, Woody	Ventura County
Norris, Mark	Sacramento County
Sites, Joe	Glenn County
Stillman, Marsha	San Luis Obispo
Ybarra, Steve	Contra Costa County

In addition, the committee was assisted by individuals from the State Controller's Office, Legislative Analyst Office, CSAC, State Department of Finance and State Department of Education. Those attending were as follows:

Akiyama, Norman	State Controller's Office
Alway, Dick	State Controller's Office
Brummels, Greg	State Controller's Office
Fong, Alice	State Controller's Office
Gee, Phillip	State Controller's Office
Havey, Mike	State Controller's Office
Kennedy, Jack	State Dept. of Education
Martinez, Ralph	State Controller's Office
Ramirez, Michael	State Controller's Office
Ruis, Suzanne C.	State Dept. of Education
Schaafsma, Peter	Legislative Analyst Office
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I. INTRODUCTION

During the unprecedented 64 days of the 1992/93 State Budget process, the State Legislature and Governor struggled to balance an \$11 billion budget deficit. The Legislature passed and sent to Governor Wilson two bills implementing the local portion of the 1992-93 State Budget. Taken together, Senate Bill 617 and 844, are this year's local government "budget trailer bills". In addition, the legislature passed and sent Senate Bill 1559 to the Governor. These bills were signed by the Governor on September 14, 1992. On October 7, 1992, the legislature, during special session, approved AB 3027 to clarify provisions in SB 617 and 844.

The 1992/93 budget trailer bills shifted \$1.3 billion in local property tax revenues from counties, cities, special districts, and redevelopment agencies to K-12 schools and community colleges.

The changes brought about by SB 617, 844, and AB 3027 were effective immediately. However, SB 1559 changes are effective January 1, 1993. To facilitate the implementation of these bills, the County Accounting Standards and Procedures Committee has prepared these guidelines.

As with the previous guidelines developed to implement other provisions of law, the objective of these guidelines are: (1) develop a reasonable document counties may rely upon as an accepted standard to follow in complying with the statutes, (2) promoting uniformity in the implementation of the statutes, and (3) eliminating unnecessary, costly, time consuming and burdensome documentation and recordkeeping.

II. DEFINITIONS AND INTERPRETATIONS

The following definitions and interpretations have been made using various sources as referenced. These definitions and interpretations were made to assist you in (1) implementing the provisions of SB 617, 844, 1559 and AB 3027, (2) understanding the various parts of these guidelines and (3) giving some insight into the committee's conclusions on the above senate bills.

Administrative Cost Apportionment Factor

The Administrative Cost Apportionment Factor is the resulting percentage attributable to each taxing jurisdiction's (including Special District Augmentation Fund and Educational Revenue Augmentation Fund and Redevelopment Agencies) portion of Secured, Unsecured HOPTR, and Unitary taxes divided by the total countywide tax allocation of the above referenced amounts. Supplemental taxes and Prior Year property taxes are not to be included in the administrative cost apportionment factor.

Revenues Pledged to Debt Service

Revenues pledged to debt service include revenues appropriated and expended (e.g., Certificates of Participation, etc) for the 1991/92 annual repayment of long-term debt service obligations. However, revenues generated as a result of debt service rates levied in excess of the 1% for voter approved debt and benefits assessments collected for 1991/92 debt service requirement should be excluded from revenues pledged to debt service.

Annual long-term debt service obligations shall be defined as principal and interest payments paid in fiscal year 1991/92 on long-term financing issued to acquire and/or construct capital assets including infrastructure. Annual capital lease payments arising from the acquisition of capital assets are also considered annual long-term debt service obligations.

Revenues pledged to long-term debt obligations do not include 1991/92 annual revenues which are pledged or expended to repay debt instruments issued to finance operations or in anticipation of revenues. Operating debt includes revenue and tax anticipation notes and other short-term debt instruments as well as long-term instruments which are issued to finance operations, such as debt issued to cover the cost of pensions.

Each County Auditor should require the Special District's Governing Body or Designee (e.g., Chief Financial Officer, etc) to certify the amounts of revenue pledged to debt service for 1991/92 as defined above.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Disaster Discount

The property tax transfer for any county, city, and county, or city that has been materially and substantially impacted as a result of a federally declared disaster, as certified by the Director of the Office of Emergency Services, occurring between October 1, 1989 and September 14, 1992 shall be reduced by a specified amount as determined by the Director of Finance. The statewide total reduction for counties or a city and county impacted as evidenced by at least 20 percent of the cities, or cities and unincorporated areas of the county representing 20 percent of the population within the county suffering substantial damage shall be \$5,000,000. The statewide total reduction for cities shall be \$15,000,000. The disaster discount reduction sunsets in 1997/98 and should, therefore be reversed at that time.

Educational Revenue Augmentation Fund (ERAF)

A fund established by each County used to deposit those revenues equal to the determined tax shift amount from the County, Cities and Special Districts and payments from Redevelopment Agencies. The amount of revenue in the ERAF shall be allocated to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were reported to the state (i.e., J-29 and CAM 314 reports or your property tax accounting records for multi-county school districts) by school districts and county offices of education, in total, and community college districts, in total, for fiscal year 1991-92. The ERAF shall be allocated by the Auditor based on information provided by the County Superintendent of Schools and Chancellor of the California Community Colleges.

Government Code Section 24642 Revenues

An appropriation received by a district pursuant to Government Code Section 25642 means such sum of money in any one year as the board of supervisors appropriates to a district for the purpose of providing fire protection.

Most Recent State Controller's Report Concerning Special Districts

The most recent State Controller's Report on Financial Transaction Concerning Special Districts means the 1989-90 report.

Multi-County District

Multi-county district means any special district which includes territory in more than one county (Government Code Section 16271). It is possible that a "known" single county district may actually be a multi-county district and vice versa. Consequently, it is advisable to check with the State Board of Equalization for verification.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Population/Residents

The State Controller's Office will provide County Auditors with the population/residents to be used for the "per each resident" calculation under Revenue and Taxation Code 97.01. This population will be the same population used by the State Controller to calculate each county and city's share of the Vehicle License Fee revenue. The intent of legislation was that counties and cities should receive additional Vehicle License Fees in the same amount to the property taxes lost by the \$1.92 and \$1.65 per each resident transfer.

Under the new Revenue and Taxation Code Section 97.01, the amount of property tax revenue deemed allocated to the county and cities, including newly incorporated cities, in the prior fiscal year shall be reduced by an amount equal to \$1.92 and \$1.65 respectively, per each resident.

Property Taxes Deemed Allocated

For the 1992/93 Fiscal year, "Deemed Allocated in Prior Year" means the 1991/92 calculated gross allocation amounts, net of redevelopment increment, for Secured (excluding Unitary per Revenue and Taxation Code 98.9). Unsecured, and HOPTR including any adjustments for jurisdictional changes effective for Fiscal Year 1992/93. Jurisdictional changes exclude newly incorporated cities that did not receive a property tax allocation in 1991/92.

Special District

Special Districts as defined by Revenue & Taxation Code Section 95 means any agency of the state for the local performance of governmental or proprietary functions within limited boundaries. "Special District" includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area formed for the purpose of designating an area within which a property tax rate will be levied to pay for a service or improvement benefiting that area.

"Special district" includes any agency which receives a property tax allocation. Included are less than countywide funds not required to report to the State Controller's Office for publication in the Report on Financial Transactions Concerning Special Districts and that are included in the State Controller's Annual Report of Financial Transactions for Counties. For example, this includes county free libraries established pursuant to Chapter 6 (commencing with Section 19100 Part II) of Division of the Education Code; County Fire protection agencies; and County road districts established pursuant to Chapter 7(commencing with Section 550) of Division 2 of the Streets and Highway Code.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Special District (Cont.)

The interpretation whether to exclude or include less than countywide funds not required to report to the State Controller's Office for publication in the Special District Report is one of a controversial nature and maybe subject to change pending Legislative action or Attorney General's opinion. It is advisable for County Auditors to seek advice from their County Counsel regarding interpretation.

Revenue and Taxation Code Section 97.03(c) exempts multi-county districts, local hospital districts and districts governed by a city council or whose governing board has the same membership as a city council (city dependent districts) from the property tax shift.

Special District Total Revenue

Special district total revenue is the district's total annual revenues, from whatever source, as shown in the fiscal year 1989-90 State Controller's Report on Financial Transactions Concerning Special Districts.

With respect to a special district that did not exist in the 1989/90 fiscal year, the auditor may use information from the first full fiscal year as appropriate, to determine the total annual revenues for the special districts.

When determining the total annual revenues for fire districts, the following is excluded:

- a) If the district's total revenues are less than \$2,000,000 in fiscal year 1991-92, revenue generated from special assessments pursuant to Revenue and Taxation Code Section 97.06 as follows;
 - 1) The revenue generated by a special tax levied pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of Government Code.
 - 2) The revenue generated by a special tax levied pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code.
 - 3) The revenue generated by a special tax levied pursuant to Article 16 (commencing with Section 53970) of Chapter 4 of part 1 of Division 2 of Title 5 of the Government Code.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Special District Total Revenue (Cont.)

- b) District appropriation received pursuant to Government Code section 25642.
- c) District revenues received as a result of a contract under Public Resources Code Section 4133.

In addition, the following revenues for any special district reported in the fiscal year 1989-90 State Controller's Report on Financial Transactions Concerning Special Districts should be excluded from the calculation of 10% of total revenues:

- a) Non-Enterprise activities revenues as reported in Table 13, Long-Term Indebtedness Transactions-and-Debt Service Transactions.
- b) Enterprise activities nonoperating revenues from debt service taxes and assessments collected for debt service requirement as reported in the Operating Statement-and-Changes in Fixed Assets and accumulated Depreciation tables.
- c) Revenues used to pay 1989/90 debt service payments on long-term debt.

For those districts that have multiple zones, levying their own property tax rate, the district's total annual revenues as reported in the State Controller's Report on Financial Transactions Concerning Special Districts should be broken down by zone.

For Special Districts having multiple zones, each levying a property tax rate, the auditor shall compute the property tax reduction amount on a zone basis. For a Special District having multiple zones, where the governing board levies one property tax rate for the entire Special District the Auditor shall compute the property tax reduction amounts on a District-wide basis. The computations shall be retained by the Auditor and submitted to the State Controller's Office upon request.

Water Agency Retail Sales

Countywide water agency special districts that sell water at retail are subject to the 35%/10% property tax reduction requirements of special districts. However, the property taxes of a countywide water agency that does not sell water at retail during 1992/93 shall be reduced by no more than 10% of the 1989/90 property taxes received by the agency's general fund.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Water Agency Retail Sales (Cont.)

A countywide agency that claims it does not sell water at retail within the meaning and timing of Revenue and Taxation Code Section 97.03(c)(2) should so certify in writing, upon request, to its county auditor. Following the receipt of the certification, the county auditor should calculate the reduction of property taxes accordingly for that agency.

III. CALENDAR OF EVENTS

1992-93 CALENDAR OF EVENTS

09/11/92	(Revenue & Taxation Code 98.6(b)(1)). Governing body shall notify each Special District of estimated amount in the SDAF.
09/11/92	(Revenue & Taxation Code 98.6(b)(1)). Auditor to notify each governing body of the estimated amount of SDAF available for allocation.
10/01/92	(Health & Safety Code 33681(a)(2)). Director of Finance to calculate and report to each agency and the County Auditor the amount of Transfer from each redevelopment agency to the Educational Revenue Augmentation Fund (total \$205m statewide).
10/01/92	(Revenue & Taxation Code 97.03(a)(3) & (b)(3)). Director of Finance shall determine reduction to each county's and city's property tax reduction for federally declared disasters and notify the County Auditor of the amounts (total \$5,000,000 for counties & \$15,000,00 for cities). In turn property tax will be reduced in 1997-98 to reverse the amount discounted for disasters
10/01/92** **or any other date mutually agreed upon	Deadline for enactment of, or conduct of hearing or receipt to any to any assessment fee, or charge to be placed on 1992-93 property tax bills to replace lost property tax revenues.
10/09/92	(Revenue & Taxation Code 98.6(b)(2)(A). Independent Special District Selection Committee may adopt resolution recommending distribution of SDAF.
10/23/92	(Revenue & Taxation Code 98.6(c). Governing body shall hold public hearing on distribution of SDAF by this date if Independent Special District Selection Committee doesn't adopt resolution. If Committee adopts the resolution, the public hearing must be held within fifteen(15) days after the governing body receives it.
11/02/92	(Government Code 29088.1). Last date a county may adopt a final budget.

III. CALENDAR OF EVENTS

1992-93 CALENDAR OF EVENTS

Within 30 days Of SDAF hearing	(Revenue & Taxation Code 98.6(d)). Governing body shall allocate SDAF.
Within 30 days Of SDAF allocation	(Revenue & Taxation Code 98.6(h)). Governing body shall notify independent districts of SDAF allocated.
12/01/92	(Governing Code Section 29088.1) Auditor shall submit adopted budget and all reports required under Government Code Section 29066 to 29109.
12/31/92	(Health & Safety Code 33682(c)(1)). RDA may adopt resolution to adopt smaller allocation to the Educational Revenue Augmentation Fund due to prior indebtedness.
01/15/93	(Revenue & Taxation Code 97.03(c)(3)). Auditor to notify State Controller of information concerning Special District tax reductions. Controller then certifies this calculation to the Director of Finance. A further reduction of up to 5% can be required if the total property tax shift from special districts to schools does not equal \$375m statewide (still can't exceed 10% of total revenues cap).
02/15/93	(Health & Safety Code 33682(d)(1)). RDAs unable to make full allocation are required to enter agreement with its legislative body to fund difference between amount determined by Director of Finance and reduced amount due to prior indebtedness.
03/01/93	(Health & Safety Code 33681(d)). Legislative body of each redevelopment agency shall report to the County Auditor as to how the agency intends to fund its allocation to the Educational Revenue Augmentation Fund.

III. CALENDAR OF EVENTS

1992-93 CALENDAR OF EVENTS

- 05/10/93** (Health & Safety Code 33681(a)(1)). Redevelopment Agency shall pay to the County Auditor the amount determined by the Department of Finance for deposit to the Educational Revenue Augmentation Fund.
- Agency may borrow 50% of amount required to be allocated to the Low & Moderate Income Housing Fund (must be repaid by 06/30/03).
- 05/15/93** (Health & Safety Code 33682(e)). Auditor shall transfer amount necessary from legislative body's property taxes if RDA fails to pay required funds for deposit to Educational Revenue Augmentation Fund.

III. CALENDAR OF EVENTS

1993-94 AND THEREAFTER CALENDAR OF EVENTS

06/01/93	(Revenue & Taxation Code 98.6(b)(1)). Governing body shall notify each Special District of estimated SDAF amount.
08/30/93	(Revenue & Taxation Code 98.6(b)(2)(A)). Independent Special District Selection Committee may adopt resolution recommending distribution of SDAF.
08/31/93	(Revenue & Taxation Code 98.6(b)(1)). Auditor to notify each governing body of the estimated amount of SDAF available for allocation.
09/15/93	(Revenue & Taxation Code 98.6(c)). Governing body shall hold public hearing on distribution of SDAF by this date if Independent Special District Selection Committee doesn't adopt resolution. If the Committee adopts the resolution, the public hearing must be held within fifteen (15) days after the governing body receives it.
Within 30 days** Of SDAF hearing	(Revenue & Taxation Code 98.6(d)). Governing body shall allocate SDAF.
Within 30 days** Of SDAF allocation	(Revenue & Taxation Code 98.6(h)). Governing body shall notify independent districts of SDAF allocated.
01/30/94	(Revenue & Taxation Code 97.03(c)(3)). Auditor to notify State Controller of information concerning Special District tax reductions. Controller then certifies this calculation to the Director of Finance.

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT

County and City Per Each Resident Reduction

SB 617 added Revenue and Taxation Code Section 97.01 which requires that the amount of property taxes deemed allocated in the prior fiscal year to a county (or city and county) shall be reduced by \$1.92 per county resident. The county calculation will include the population in both the incorporated and unincorporated area of the county. Similarly, for cities, the amount of property taxes deemed allocated in the prior fiscal year shall be reduced by \$1.65 for each city, including newly incorporated cities, (or city and county) resident.

The population data (10/02/92 MVLF Apportionment Report) will be provided by the State Controller as previously explained in the Population/Residents definition in this guideline.

In accordance with AB 3027, the per resident shifts will be only for the 1992-93 year. The per resident adjustment amounts should be kept separate from the other shift amounts in the AB 8 allocation process making the omission of this shift easier in 1993/94.

County Flat Amount Reduction

SB 844 added Revenue and Taxation Code Section 97.03(a)(1) which requires that the amount of the property tax revenue deemed allocated in the prior fiscal year to a county shall be reduced by the dollar amount indicated, multiplied by .953649. Refer to Revenue and Taxation 97.03 (a)(1) for the specific county flat dollar reduction.

This code section also provides for a disaster discount for certain qualified counties (or city and county). By October 1, 1992 the Director of Finance will notify each County Auditor of a qualified county its share of the disaster discount. The flat dollar reduction for these qualified counties should then be reduced by the reported disaster discount amount.

The disaster discount reduction sunsets in 1997/98 and should, therefore, be reversed at that time (Revenue and Taxation Section 97.03(e)).

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT (Cont.)

City 9% Reduction

SB 844 added Revenue and Taxation Code Section 97.03(b)(1) which requires that the amount of property tax revenue deemed allocated in the prior fiscal year to each city (or city and county) shall be reduced by 9 percent. The 9% shift is calculated prior to the per resident reduction (97.01). However, newly incorporated cities that did not receive property taxes in 1991/92 are exempt from the 9% reduction.

In making the above computation with respect to cities in Alameda County, this code section should be reviewed for the “museum” adjustment.

This code section also provides for a disaster discount for certain qualified cities. By October 1, 1992 the Director of Finance will notify each county auditor of the applicable city disaster discount amount. The 9% reduction for these qualified cities should then be reduced by the reported disaster discount amount.

The disaster discount reduction sunsets in 1997/98 and should, therefore, be reversed at that time (Revenue & Taxation Section 97.03(e)).

Special Districts

Revenue and Taxation Section 97.03, subdivision c, provides for the permanent shift of special districts' property tax revenues to an Educational Revenue Augmentation Fund in fiscal year 1992-93. Multi-county special districts, local hospital districts and districts governed by a city council or whose governing board is the same as the city council are exempt from any property tax revenue shift. A district's property tax revenue shift shall be the lessor of the following calculations:

- 1) R & T section 97.03(c)(1)-35% of the amount of property tax revenues, other than those revenues pledged to debt service, deemed allocated in fiscal year 1991-92, to a special district.
- 2) R & T section 97.03(c)(2)-10% of the district's total annual revenues from whatever source, as shown in the fiscal year 1989-90 State Controller's Report on Financial Transactions Concerning Special Districts. For any countywide water agency that does not sell water at retail, the reduction shall not exceed 10% of that agency's general fund property tax revenues received in fiscal year 1989-90.

With respect to a special district that did not exist in the 1989/90 fiscal year, the auditor may use information from the first full fiscal year as appropriate, to determine the total annual revenues for the special district.

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT (Cont.)

Special Districts(Cont.)

When determining the total annual revenues for fire districts, the following is excluded:

- a) If the district's total revenues are less than \$2,000,000 in fiscal year 1991-92, revenue generated from special assessments pursuant to Revenue and Taxation Code 97.06 as follows:
 - 1) The revenue generated by a special tax levied pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.
 - 2) The revenue generated by a special tax levied pursuant to Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code.
 - 3) The revenue generated by a special tax levied pursuant to Article 16 (commencing with Section 53970) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.
- b) District appropriations received pursuant to Government Code Section 25642.
- c) District revenues received as a result of a contract under Public Resources Code Section 4133.

In addition, the following revenues for any special district reported in the fiscal year 1989-90 State Controller's Report on Financial Transactions Concerning Special Districts should be excluded from the calculation of 10% of total revenues:

- a) Non-Enterprise activities revenues as reported in Table 13, Long-Term Indebtedness Transactions-and-Debt Service Transactions.
- b) Enterprise activities nonoperating revenues from debt service taxes and assessments collected for debt service requirement as reported in the Operating Statement-and-Changes in Fixed Assets and Accumulated Depreciation tables.
- c) Revenues used to pay 1989/90 debt service payments on long-term debt.

For those districts that have multiple zones, receiving a property tax allocation, the district's total annual revenues as reported in the State Controller's Report on Financial Transactions Concerning Special Districts shall be broken down by zone.

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT (Cont.)

Special Districts (Cont.)

For Special Districts having multiple zones, each receiving a property tax allocation, the auditor shall compute the property tax reduction amount on a zone basis. For Special Districts having multiple zones, where the governing board received one property tax allocation for the entire Special District, the Auditor shall compute the property tax reduction amount on a district basis. The computations shall be retained by the Auditor and submitted to the State Controller's Office upon request.

NOTE: Independent districts' distributions to SDAF are restricted to the lesser of the amount contributed in 1983/84 or the SDAF factor times the current year adjusted allocation amount.

If total property tax revenues shifted statewide from special districts is less than \$375,000,000 an additional 5%, up to a maximum of 40%, of property tax revenues shall be shifted to the Education Revenue Augmentation Fund. In no event shall the shift exceed 10% of the district's fiscal year 1989-90 total revenues.

Omissions

For special districts, as defined herein, that are not included in the fiscal year 1989-90 State Controller's Report on Financial Transactions Concerning Special Districts, the following sources should be used to calculate the 10% amount of a district's total annual revenues.

- a) Fiscal year 1989-90 district revenue reports maintained by the County. If not available then,
- b) Fiscal year 1989-90 audited financial statements for the districts. If not available then,
- c) Use 35% of the districts property tax revenues deemed allocated in fiscal year 1991-92.

Errors

The Auditor-Controller may make adjustments to a district's revenues as reported in the fiscal 1989-90 State Controller's Report on Financial Transactions Concerning Special Districts for known errors. It is suggested that such adjustments be made in consultation with the State Controller's Office and supporting documentation retained.

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT (Cont.)

Redevelopment Agency

The State Department of Finance shall determine the amount that each redevelopment agency will remit to the county auditor for distribution to the Educational Revenue Augmentation Fund (ERAF). This amount is reported to the Auditor by October 1, 1992, and if not paid by May 15, 1993, shall be transferred from any property taxes due to the legislative body. Note: The amount remitted by RDA's shall not be included within the amount deemed allocated in the prior year pursuant to the AB 8 formula for each school district.

Disaster Discount

On or before October 1, 1992, the Director of Finance shall:

- determine the population on each county, city, and county and city in which a federally declared disaster has occurred between October 1, 1989 and September 14, 1992.
- determine for each county and city and county its share of \$5,000,000 on the basis of that county's population relative to the total population of all counties eligible for disaster discount.
- determine for each city its share of \$15,000,000 on the basis of the city's population relative to the total population of all cities eligible for the disaster discount.
- notify the auditor of each county and city and county of the amounts subject to the property tax transfer reduction.

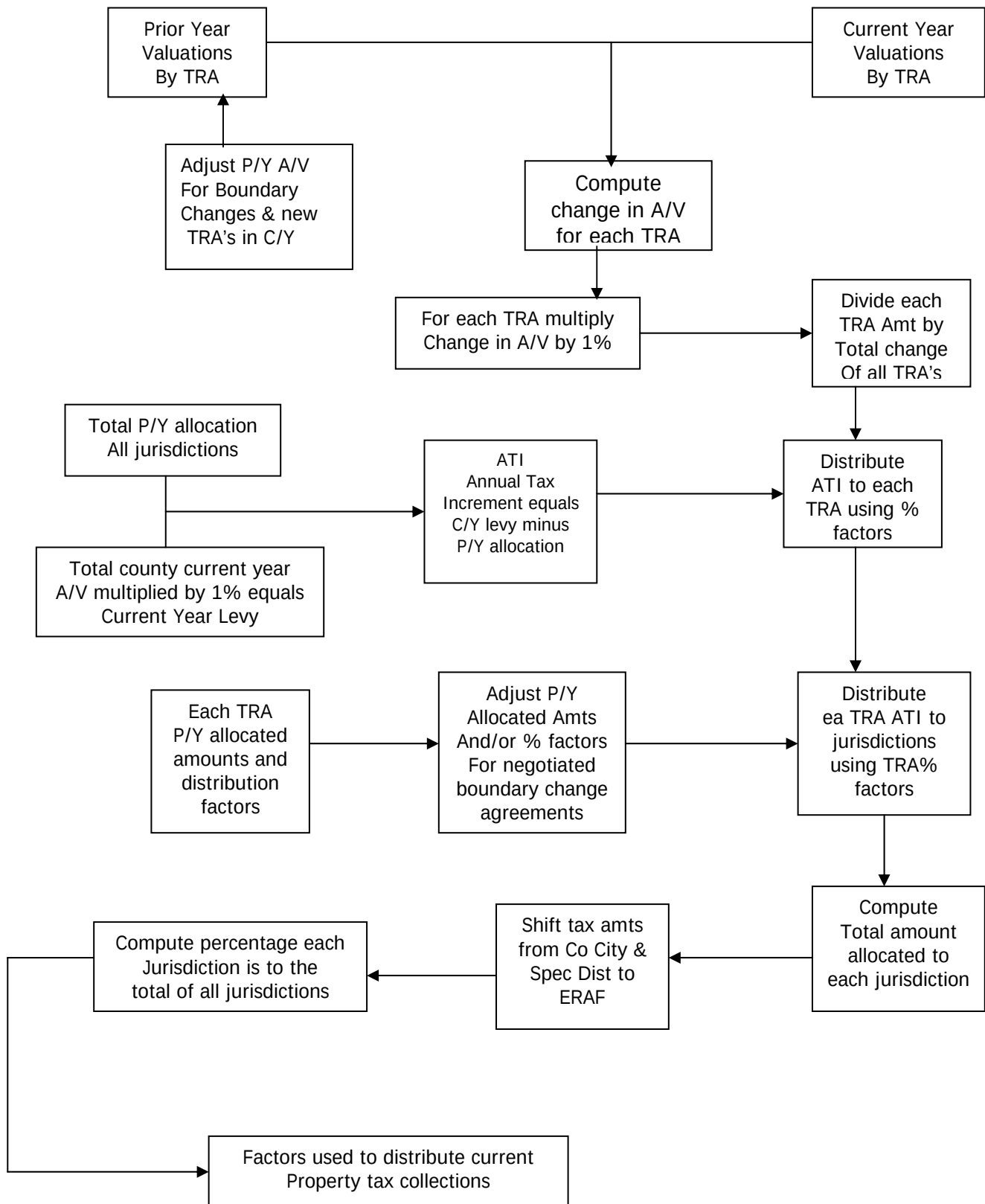
The provision for the disaster discount sunsets in the 1997-98 fiscal year. In 1997-98 the property tax revenue, deemed allocated in the prior fiscal year, for each entity, shall be reduced by that amount discounted in fiscal year 1992/93. Therefore, in 1997-98 fiscal year, schools will receive an increase in property taxes due to the reversal of the "disaster discount".

IV. PROPERTY TAX TRANSFER MODELS

The following models provide a graphic display of the steps necessary to complete the calculation which will shift revenue from various taxing jurisdictions to a newly created **Educational Revenue Augmentation Fund (ERAF)** to be distributed to schools. The amounts determined to be shifted to schools from ERAF will be provided to the Auditor by the County Superintendent of Schools and Chancellor of the California Community Colleges. In accordance with Revenue and Taxation Code Section 97.04, all calculations in these models are adjusting revenues at a jurisdictional level and not a TRA level. Since the amount going to schools increases yearly by growth, the following examples create a method for calculating incremental growth at a jurisdictional level without going into a TRA.

An additional model depicts how, pursuant to SB 1559, the administrative cost will be calculated against the ERAF.

The following chart is an overview of the AB8 formula excluding adjustments for the Tax Equity Allocation (TEA) formula.



**PROPERTY TAX SHIFT TO ERAF
FISCAL YEAR 92-93**

SHEET A

Depiction of shifting property taxes at the total jurisdictional level rather than each TRA

JURISDICTION	91-92 TOTAL ALLOCA TION	C/Y ANX NEG EXCH C/Y TEA	92-93 AB 8 ADJUST P/Y ALLOCATION	92-93 AB 8 C/Y ATI (GROWTH)	92-93 TOTAL ALLOCATION BEFORE SHIFT	PERCENT CHANGE (1)	SHIFT AMT ADJ FOR GROWTH	PER RES DNT ADJ FOR GROWTH	ADJUSTED C/Y TOTAL	C/Y 1% APPORT FACTORS
County of Oz	310,000	(10,000)	300,000	18,000	318,000	5.93%	(15,890)	(2,648)	299,462	28.25%
Library Agency	40,500	(500)	40,000	3,200	43,200	8.00%	(9,720)		33,480	3.16%
Elem Sch A	90,000		90,000	4,500	94,500	5.00%			94,500	8.92%
Elem Sch B	60,000		60,000	2,400	62,400	4.00%			62,400	5.89%
High School	100,000		100,000	4,500	104,500	4.50%			104,500	9.86%
Unified School	150,000		150,000	6,000	156,000	3.75%			156,000	14.72%
Community College	30,000		30,000	1,800	31,800	5.84%			31,800	3.00%
City No/Low/withTEA)	35,000	15,000	50,000	6,000	56,000	12.05%	(4,770)	(1,793)	49,437	4.66%
Fire District	122,000	(2,000)	120,000	8,400	128,400	7.00%	(14,980)		113,420	10.70%
Water Dist.	62,500	(2,500)	60,000,	5,200	65,200	8.63%	(19,810)		45,390	4.28%
EDUC REV AUG FUND (ERAF)							65,170	4,441	69,611	6.57%
TOTAL	1,000,00		1,000,000	60,000	1,060,000	6.00%			1,060,000	100.00%
	0									

(1) Calculation of percentage growth net redevelopment tax increment:

	P/Y Amt	Less RDA	Net P/Y Amt	C/Y Total	Less RDA	Net C/Y Total	% Growth
County of Oz	3000,000	(3,870)	296,130	318,000	(4,300)	313,700	5.93%
Library Agency	40,000		40,000	43,200		43,200	8.00%
Elem Sch A	90,000		90,000	94,500		94,500	5.00%
Elem Sch B	60,000		60,000	62,400		62,400	4.00%
High School	100,000		100,000	104,500		104,500	4.50%
Unified School	150,000	(5,130)	144,870	156,000	(5,700)	150,300	3.75%
Comm College	30,000	(900)	29,100	31,800	(1,000)	30,800	5.84%
City/No/Low	50,000	(2,700)	47,300	56,000	(3,000)	53,000	12.05%
Fire District	120,000		120,000	128,400		128,400	7.00%
Water Dist	60,000	(900)	59,100	65,200	(1,000)	64,200	8.63%

A

B

C

D

E

F

G

H

I

J

K

PROPERTY TAX SHIFT ERAF
FISCAL YEAR 1992-93

MODEL A SHEET A

- Column B: 91-92 Total Allocation-Property tax allocations by jurisdiction from 1991-92 AB 8 calculation. Taxes include current year secured, current year unsecured and Homeowners. These are the prior year taxes in the 1992-93 AB 8 increment program before adjustments for jurisdictional changes.
- Column C: C/Y Anx Neg Exch C/Y TEA-Property tax changes between taxing entities for jurisdictional changes such as annexations and boundary changes. These transfers are made to prior year tax allocations in the 1992-93 AB 8 increment program.
- Column D: 92-93 AB8 Adjust P/Y Allocation-Column (B) + Column (C) Prior year tax allocations in the 1992-93 AB 8 increment program after exchanges for jurisdictional.
- Column E: 92-93 AB8 C/Y ATI (Growth)-1992-93 annual tax increment in AB 8 program distributed by jurisdiction. This can be a negative amount for some jurisdictions.
- Column F: 92-93 Total Allocation Before Shift- Column (D) + Column (E) Current year 1992-93 property tax allocation by jurisdiction in AB 8 program.
- Column G: Percent Change-Column (E) – Column (D)
This calculation is made to determine the percentage change in property tax allocations by jurisdiction from 1991-92 to 1992-93. This change is calculated separately for each jurisdiction and can be a negative amount.
- Column H: Shift Amt Adj for Growth-This is the permanent Revenue and Taxation Code 97.03 tax shift (calculation shown on separate spreadsheet) adjusted for the growth calculated in Column (G).
- Column I: Per Resident Adj for Growth: This is one year only Revenue and Taxation Code 97.01 per resident shift for the county and cities (calculation shown on separate spreadsheet) adjusted for the growth calculated in Column (G).
- Column J: Adjusted C/Y Total:-Column (F) + Column (H) + Column (I)
These are the adjusted 1992-93 current year property tax allocations by jurisdiction after the shift of taxes to ERAF.
- Column K: C/Y 1% Apport Factors – These are the recalculated current year 1992-93 1% tax apportionment factors after the shift of taxes to ERAF. Column (J) for each jurisdiction is divided by the total of all jurisdictions in Column (J) to compute each factor.

**PROPERTY TAX SHIFT TO ERAF
FISCAL YEAR 93-94**

SHEET B

						(1)		
			Total of TRA amounts			93-94		
JURISDICTION	92-93 Total Allocation	C/Y Anx Negotiated Exchanges	93-94 P/Y Adjust Allocation	93-94 C/Y ATI Growth	Percent Change	Tax Shift Adjusted For Growth	93-94 Total AB 8 Allocation	93-94 Apport Percent
County of Oz	318,000	(1,900)	316,100	15,805	5.00%	(16,651)	315,254	28.07%
Library Agency	43,200	(100)	43,100	1,724	4.00%		44,824	3.99%
Elem Sch A	94,500		94,500	3,780	4.00%		98,280	8.75%
Elem Sch B	62,400		62,400	3,120	5.00%		65,520	5.83%
High School	104,500		104,500	4,441	4.25%		108,941	9.70%
Unified School	156,000		156,000	9,360	6.00%		165,360	14.72%
Community College	31,800		31,800	1,590	5.00%		33,390	2.97%
City No/Low	56,000	2,500	58,500	3,510	6.00%	(4,763)	57,247	5.10%
Fire District	128,400	(500)	127,900	6,715	5.25%	(15,766)	118,848	10.58%
Water District	65,200		65,200	2,955	4.33%	(20,660)	47,495	4.23%
ERAF						67,949	67,949	6.05%
TOTAL	1,060,000		1,060,000	53,000	5.00%	10,109	1,123,109	100.00%

(1) Calculation of the percentage growth adjusted for redevelopment tax increment amounts due RDA's.

	Adj P/Y	Less RDA	Net P/Y	C/Y AB 8	Less RDA	Net C/Y	Percent	92-93	93-94
	AB 8 Amt	Tax Incrmt	AB 8 Amt	Total	Tax Incrmt	AB 8 Amt	Growth	Tax Shift	Tax Shift
									Adj for Growth
County of Oz	316,000	(4,300)	311,800	331,905	(5,160)	326,745	4.79%	(15,890)	(16,651)
Co Library Agency	43,100		43,100	44,824		44,824	4.00%	(9,720)	(10,109)
City No/Low	58,500		58,500	62,010	(3,600)	58,410	-0.15%	(4,770)	(4,763)
Fire District	127,900		127,900	134,615		134,615	5.25%	(14,980)	(15,766)
Water District	65,200	(1,000)	64,200	68,155	(1,200)	66,955	4.29%	(19,810)	(20,660)
ERAF								65,170	67,949

The 92-93 tax shift excludes the one year shift based on per resident.

A	B	C	D	E	F	G	H	I	J

PROPERTY TAX SHIFT TO ERAF
FISCAL YEAR 1993-94

Model B – Sheet B

- Column B: 92-93 Total Allocation- Property tax allocations by jurisdiction from 1992-93 AB 8 calculation. Taxes include current year secured, current year unsecured and Homeowners. These are the prior year taxes in the 1993-94 AB 8 increment program before adjustments for jurisdictional changes.
- Column C: C/Y Anx Negotiated Exchanges-Property tax exchanges between taxing entities for jurisdictional changes such as annexations. These transfers are made to prior year tax allocations in the 1993-94 AB 8 increment program.
- Column D: Total 93-94 P/Y Allocation:- Column (B) + Column (C)
Prior year tax allocations in the 1993-94 AB 8 increment program after exchanges for Jurisdictional changes.
- Column E: TRA Amounts 93-94 C/Y ATI (Growth)- 1993-94 annual tax increment in AB 8 program distributed by jurisdiction. This can be a negative amount for some jurisdictions.
- Column F: Percent Change-Column (E) – Column (D)
This calculation is made to determine the percentage change in property tax allocations by jurisdiction from 1992-93 to 1993-94. This is calculated separately for each jurisdiction and can be a negative amount.
- Column G: 93-94 Tax Shift Adjusted for Growth: This is the 1992-93 Revenue and Taxation Code 97.03 tax shift adjusted for the 1993-94 growth calculated in Column (F).
- Column H: 93-94 Total AB8 Allocation- Column (D) + Column (E) + Column (G)
These are the adjusted 1993-94 current year property tax allocations by jurisdiction after the shift to taxes to ERAF.
- Column I: 93-94 Apport Percent: These are the recalculated current year 1993-94 1% apportionment factors after the shift of taxes to ERAF. Column (H) for each jurisdiction is divided by the total of all jurisdictions in Column (H) to computer each factor.

**ADMINISTRATIVE COST
APPORTIONMENT FACTORS
FISCAL YEAR 92-93**

SHEET C

	Adjusted	92-93	92-93	92-93	92-93		92-93 Adm	
	92-93 AB 8	RDA	Unitary	SDAF	SDAF	TOTAL	Cost Apport	Admin Cost
	Allocation	Increment	Allocation		Bd Dist	REVENUE	Factors	Recovered
County of Oz	299,462	(4,300)	15,000			310,162	27.54%	139,717
Library Agency	33,480		3,000	(4,378)	6,334	38,436	3.41%	(71,063)
Elem Sch A	94,500		2,500			97,000	8.61%	
Elem Sch B	62,400		1,500			63,900	5.67%	
High School	104,500		4,500			109,000	9.68%	
Unified School	156,000	(5,700)	9,500			159,800	14.19%	
Community College	31,800	(1,000)	2,500			33,000	2.96%	
City No/Low	49,437	(3,000)	12,000			58,437	5.19%	
Fire District	113,420		4,500	(58,960)	53,837	112,797	10.01%	(50,073)
Water District	45,390	(1,000)	1,300		3,167	48,857	4.34%	(21,688)
ERAF	69,611					69,611	6.18%	(30,802)
Redevelopment Project		15,000	3,700			18,700	1.66%	(8,301)
SDAF				63,338	(57,004)	6,334	0.56%	(2,812)
TOTAL	1,060,000		60,000			1,126,334	100.00%	(17,063)
			Total Admin Cost subject to recovery					500,000
Note: ERAF excluded from Unitary formula for 92-93 pursuant to Sect 98.9 and calc based on P/Y.								
A	B	C	D	E	F	G	H	I

ADMINISTRATIVE COST APPORTIONMENT FACTORS
FISCAL YEAR 1992-93

SHEET C

Column B: Adjust 92-93 AB8 Allocation - Final amounts used to determine AB8 factors after all tax shifts have been made.

Column C: RDA Increment – Equal to the amount of incremental revenue from districts to RDA.

Column D: 92-93 Unitary Allocation – Unitary revenue allocated to each fund. Note: ERAF excluded from Unitary formula for 92-93 pursuant to Section 98.9.

Column E: 92-93 SDAF – Equal to contribution from districts into the Special District Augmentation Fund.

Column F: 92-93 SDAF Bd. Dist – Those amounts distributed from the SDAF.

Column G: Total Revenue – The total of columns A through E.

Column H: 92-93 Adm Cost Apport Factors – The percentage ratio each fund amount is to the grand total in column F.

Column I: Admin Cost Recovery – Total recoverable multiplied against 92-93 factors in column G.

ADMINISTRATIVE COST APPORTIONMENT FACTORS
FISCAL YEAR 1993-94

SHEET D

- Column B: Adjust 93-94 AB8 Allocation-Final amounts used to determined AB8 factors after all tax shifts have been made.
- Column C: RDA Increment-Equal to the amount of incremental revenue from districts to RDA.
- Column D: 93-94 Unitary Allocation- The only variance from the 92-93 schedule is that the Unitary value increase is in excess of the two percent (2%), therefore the AB 8 factor for ERAF is applicable.
- Column E: 93-94 SDAF-Equal to contribution from districts into the Special District Augmentation Fund.
- Column F: 93-94 SDAF Bd Dist-Those amounts distributed from the SDAF.
- Column G: Total Revenue - The total columns A through E.
- Column H: 93-94 Adm Cost Apport Factors - The percentage ratio each fund amount is to the grand total in column F.
- Column I: Admin Cost Recovery - Total recoverable cost multiplied against 93-94 factors in column G.

**ADMINISTRATIVE COST
APPORTIONMENT FACTOR
FISCAL YEAR 93-94**

SHEET C

	93-94 Total AB8 Allocation	93-94 RDA Increment	93-94 Unitary Allocation	93-94 SDAF	93-94 SDAF Bd Dist	TOTAL REVENUE	93-94 Cost Apport Factors	Admin Cost Recovered
County of Oz	315,254	(5,160)	16,313			326,406	27.16%	137,119
Library Agency	44,824		3,212	(5,764)	13,537	55,808	4.64%	(23,918)
Elem Sch A	98,280		2,883			101,163	8.42%	
Elem Sch B	65,520		1,752			67,272	5.60%	
High School	108,941		4,959			113,900	9.48%	
Unified School	165,360	(6,840)	10,249			168,769	14.04%	
Community College	33,390	(1,200)	2,663			34,853	2.90%	
City No/Low	57,247	(3,600)	12,434			66,081	5.50%	(28,321)
Fire District	118,848		4,992	(61,920)	47,379	109,299	9.10%	(46,843)
Water District	47,495	(1,200)	1,487		3,384	51,166	4.26%	(21,929)
ERAF	67,949		230			68,179	5.67%	(29,220)
Redevelopment Project		18,000	3,828			21,828	1.82%	(9,355)
SDAF				67,684	(54,148)	13,537	1.13%	
Bug Abate Dist					3,384	3,384	0.28%	(1,450)
TOTAL	1,123,109		65,000			1,201,645	100.99%	
Total admin cost subject to recovery								515,000

Note: ERAF shares in Unitary calculations for the growth in excess of 102% of prior year.

A	B	C	D	E	F	G	H	I

CALCULATION OF PROPERTY TAX SHIFT FISCAL YEAR 92-93

SHEET E

Detail Calculation of tax shift prior to growth

	Sect 97.01 per Resident Calculations				95.3645% Sect 97.03	Less DOF Disaster Share	Net County Sec 97.03
	Reported Population	Per Res Amount	Per Res Tax Shift	Sect 97.03 Amount			
County of Oz	1,302	\$1.92	2,500	15,754	15,024	(24)	15,000
City No/Low	970	\$1.65	1,600				

City No/Low Property Tax Shift Calculation Based on 9% of adj. Prior year 92-93 allocation (net RDA tax increment)= **4,257**

SPECIAL DISTRICTS

State Controllers 89-90 Report

	Nonenterprz Activities	Enterpriz Activities	Total Report Revenue	Less Excluded Amounts	Adjusted Total	10% of Adjusted Total	91-92 AB8 Amt Net RDA	Less Debt Adjustment	35% of P/Y Amt Net Debt
Fire District	144,000		144,000	(4,000)	140,000	14,000	120,000		42,000
Library Agency	90,000		90,000		90,000	9,000	40,000		14,000
Water District	200,000	350,000	550,000		550,000	55,000	59,100	2,500	19,810

A B C D E F G H I J

CALCULATION OF PROPERTY TAX SHIFT
FISCAL YEAR 1992-93

MODEL B SHEET E
COUNTY & CITIES

- Column B: Reported Population - This is the population for the County and each city reported by the State Controller and used to apportion *Motor Vehicle In-Lieu* taxes in 1992-93.
- Column C: Per Resident Amount - This is the one year only per resident shift amount per Revenue & Taxation Code 97.01.
\$1.92 per resident for each county.
\$1.65 per resident for each city.
- Column D: Per Resident Shift - Column (B) x Column (C)
This is the total Revenue & Taxation Code 97.01 tax shift for each county and each city.
- Column E: Sect. 97.03 Amount - The dollar amount listed in Revenue & Taxation Code 97.03 for the County.
- Column F: 95.364 Section 97.03 - Column (E) x .953649
This is the Revenue & Taxation Code 97.03 shift for the County.
The shift for each city is 9% of prior year allocated property taxes.
- Column G: Less DOF Disaster Share - This is the amount reported by the Director of Finance on or before October 1, 1992 as a result of federally declared disasters.
The total amount for all counties is \$5,000,000 and the total amount for all cities is \$15,000,000.
- Column H: Net County Section 97.03 - Column (F) - Column (G)
This is the net County *Section 97.03* shift. It is adjusted for growth (see Column(G)1992-93 ERAF Shift Spreadsheet) and reported in Column (H)-1992-93 Shift Spreadsheet.

CALCULATION OF PROPERTY TAX SHIFT
FISCAL YEAR 1992-93

MODEL B - SHEET E
SPECIAL DISTRICTS

Column B: Non-enterprise - All functions for each district on Table 12 in the 1989-90 State Controller's Report on Financial Transactions for Special Districts are totalled for non-enterprise activities. A district may be reported under more than one function.

Column C: Enterprise - Tables 18-24 in the 1989-90 State Controller's Report on Financial

1993 LEGISLATIVE SESSION

1993-94

PROPERTY TAX SHIFT

UNIFORM GUIDELINES

FOR

CALIFORNIA COUNTIES

Prepared by

COUNTY ACCOUNTING STANDARDS AND PROCEDURES COMMITTEE

OCTOBER 1993

Note: The spelling of “pass-through” may have been changed from the original guideline to conform to the CALSACA current day standardized terminology

Guideline 4 (b)

FOREWORD

These guidelines were developed, with input from the County Supervisors Association of California, California Legislative Analyst Office, State Department of Education, and by a sub-committee of the County Accounting Standards and Procedures Committee which is chaired by the State Controller's Office. In turn, these guidelines were reviewed and approved by the County Accounting Standards and Procedures Committee. In preparation of these guidelines every effort, has been made to offer the most current, correct, and clearly expressed information possible. Its purpose is to provide guidelines on matters relative to the 1993 Legislative Session Senate Bills 1135, and 837 and Assembly Bills 1519 557, and 2371.

Please do not confuse these guidelines with the 1992-93 Property Tax Shift Guidelines. These guidelines are not a supplement to the 1992-93 Property Tax Shift Guidelines. The property tax shift requirements for 1993-94 have been substantially changed and, therefore, new 1993-94 guidelines were written.

You may have questions/issues/interpretations that either we have not anticipated or adequately addressed as part of these guidelines. If so, you may wish to seek the advice of your County Counsel.

Hundreds of hours were volunteered in order to make these guidelines possible. The State Association of County Auditors and the County Accounting Standards and Procedures Committee wish to thank all those who participated in the completion of these guidelines.

The County participants were:

Arrow, Richard
Corcoran, Ken
Dole, Rod (Chair)
Elledge, Dave
James, Bernice
McCauley, Tyler
McWaters, Woody
Norris, Mark
Sites, Joe
Stillman, Marsha
Ybarra, Steve

Marin County
Contra Costa County
Sonoma County
Siskiyou County
Santa Barbara County
Los Angeles County
Ventura County
Sacramento County
Glenn County
San Luis Obispo
Contra Costa County

In addition, the committee was assisted by individuals from the State Controller's Office, Legislative Analyst Office, CSAC, State Department of Finance, League of Cities and State Department of Education. Those attending were as follows:

Akiyama, Norman	State Controller's Office
Alway, Dick	State Controller's Office
Brummels, Greg	State Controller's Office
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Dithridge, Tom	State Department of Finance
Fong, Alice	State Controller's Office
Gee, Phillip	State Controller's Office
Havey, Mike	State Controller's Office
Korach, John	State Controller's Office
Martinez, Ralph	State Controller's Office
Olsen, Sarah	Legislative Analyst Office
Oppenheim, David	CSAC
Schaafsma, Peter	Legislative Analyst Office
Smith, Judi	League of Cities

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I. INTRODUCTION

During the 1992-93 State Budget process, the State Legislature and Governor struggled to balance an \$11 billion budget deficit. The 1992-93 budget bills anticipated a shift of \$1.3 billion in local property tax revenues from counties, cities, special districts, and redevelopment agencies to K-12 schools and community colleges.

During the 1993-94 State Budget process, the State Legislature and Governor, once again found it necessary to shift \$2.6 billion in local property tax revenues from counties, cities, special districts and redevelopment agencies to K-12 schools and community colleges in order to balance the State Budget. During our deliberations, it was unclear how the shift amounts for cities and counties were determined. However, for special districts, except for those exempt districts, the intent of the legislature was to recover the original bailout plus growth. These 1993-94 Property Tax Shift Guidelines were developed to assist counties in implementing the provisions of:

<u>Bill #</u>	<u>Chapter #</u>
Senate Bill 1135	Chapter 68
Senate Bill 837	Chapter 904
Assembly Bill 1519	Chapter 905
Assembly Bill 557	Chapter 906

As with the previous guidelines developed to implement other provisions of law, the objective of these guidelines are: (1) develop a reasonable document counties may rely upon as an accepted standard to follow in complying with the statutes, (2) promoting uniformity in the implementation of the statutes and (3) eliminating unnecessary, costly, time consuming and burdensome documentation and recordkeeping.

II. DEFINITIONS AND INTERPRETATIONS

The following definitions and interpretations have been made using various sources as referenced. These definitions and interpretations were made to assist you in (1) implementing the provisions of Senate Bills 1135 and 837 and Assembly Bills 1519, 557, and 2371, (2) understanding the various parts of these guidelines and (3) giving some insight into the committee's conclusions on the above senate bills.

Administrative Cost Apportionment Factor

The Administrative Cost Apportionment Factor is the resulting percentage attributable to each taxing jurisdiction's (including Redevelopment Agencies) portion of Secured, Unsecured, HOPTR, and Unitary taxes divided by the total countywide tax allocation of the above referenced amounts. Supplemental taxes and Prior Year property taxes are not to be included in the administrative cost apportionment factor.

Educational Revenue Augmentation Fund (ERAF)

A fund established by each County used to deposit those revenues equal to the determined tax shift amount from the County, Cities and Special Districts and payments from Redevelopment Agencies. The total amount of revenue in the ERAF, regardless of which fiscal year, shall be allocated to school districts and county offices of education, in total, and to community college districts, in total, in the same proportion that property tax revenues were distributed for fiscal year 1992-93. The distribution can be obtained from the J-29 and CCFS 329 reports or your property tax accounting records for multi-county school districts. The ERAF shall be allocated by the Auditor based on information provided by the County Superintendent of Schools and Chancellor of the California Community Colleges.

Jurisdictional Change

Jurisdictional change is defined in Section 95(e) to include a change of organization, an incorporation, a reorganization, change in boundary, consolidation, etc. Before determining the amount to be shifted in the 1993-94 year, the prior year deemed allocated must be adjusted to include the effect of any jurisdictional change.

Multi-County District

Multi-county district means any special district which includes territory in more than one county as of July 1, 1979. It is possible that a "known" single county district may actually be a multi-county district and vice versa. Consequently, it is advisable to check with the State Board of Equalization for verification. The multi-county districts, as defined above, are exempt from the property tax shift.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Per Capita Shift

For the 1993-94 fiscal year, the property tax revenue deemed allocated in the prior year shall be reduced by an amount equal to \$.80 per each resident of the county and \$1.02 per each resident of the city pursuant to R & T Code Section 97.02. The population count as reported on the State Controller's report dated October 18, 1993 shall be used for this calculation.

The 1992-93 per capita reduction in revenues to cities and counties was offset by a redirection in the 1992 Budget Act of \$100 million from the Motor Vehicle License Fee (VLF) Account. This provision is known as the VLF "Roundabout". This one time adjustment was for fiscal year 1992-93 only, and must be reversed, including growth from the prior year deemed allocated, before applying the per capita shift for 1993-94.

For 1993-94 the State Controller's Office will provide County Auditors with the population/residents to be used for the "per each resident" calculation under Revenue and Taxation Code 97.02. This population will be the same population used by the State Controller to calculate each county and city's share of the Vehicle License Fee revenue. The intent of legislation was that counties and cities should receive additional Vehicle License Fees in the same amount to the property taxes lost by the \$.80 and \$1.02 per each resident transfer.

Under the new Revenue and Taxation Code Section 97.02, the amount of property tax revenue deemed allocated to the county and cities, including newly incorporated and no-low cities, in the prior fiscal year shall be reduced by an amount equal to \$.80 and \$1.02, respectively, per each resident.

Revenue and Taxation Code Sections 97.02 and 97.035 reduced the property tax revenue allocation to cities and counties. It was the State's intent to partially offset these reductions through Revenue and Taxation Code Section 11005.4 allocation of \$90,000,000 to cities and \$40,000,000 to counties in proportion to the property tax reduction. The allocation of \$130,000,000 is for the 1993-94 fiscal year only. Revenue and Taxation Code Section 11005.7 also allocates \$25,000,000 to cities and \$25,000,000 to counties in the same proportion as the property tax reduction.

Property Tax Administration Fee

Senate Bill 399 amended Section 97.5 of the Revenue and Taxation Code by deleting the provision that authorizes charging a property tax administration fee for taxes shifted to the Educational Revenue Augmentation Fund (ERAF) beginning July 1, 1993. The "Guidelines for County Property Tax Administration Charges" prepared by the County Accounting Standards and Procedures Committee and amended June 1993 will continue to be in effect with the exception that the charges are no longer applied to ERAF.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Property Tax Administration Fee (Cont.)

The 1993-94 AB8 apportionment factors are to be applied to the actual 1992-93 fiscal year property tax administrative costs for entities other than schools.

Property Taxes Deemed Allocated

For the 1993-94 Fiscal Year, "Deemed Allocated in Prior Year" means the 1992-93 calculated gross allocation amounts, net of redevelopment increment, for Secured (excluding Unitary per Revenue and Taxation Code 98.9), Unsecured, and HOPTR including any adjustments for jurisdictional changes effective for Fiscal Year 1993-94. Jurisdictional changes exclude newly incorporated cities that did not receive a property tax allocation in 1991-92.

Special District

Special districts who did not receive bailout funds for the 1978-79 fiscal year and therefore did not receive a property tax shift from schools under AB8 in 1979-80 will not be subject to the 1993-94 property tax shift.

Special District, as defined by Revenue & Taxation Code Section 95, means any agency of the state for the local performance of governmental or proprietary functions within limited boundaries. "Special District" includes a county service area, a maintenance district or area, an improvement district or improvement zone, or any other zone or area formed for the purpose of designating an area within which a property tax rate will be levied to pay for a service or improvement benefiting that area.

"Special District" includes any agency which receives a property tax allocation. Included are less than countywide funds not required to report to the State Controller's Office for publication in the Report on Financial Transaction Concerning Special Districts and that are included in the State Controller's Annual Report of Financial Transactions for Counties. For example, this includes county free libraries established pursuant to Chapter 6 (commencing with Section 19100 Part II) of Division 1 of the Education Code; county fire protection agencies; and county road districts established pursuant to Chapter 7 (commencing with Section 550) of Division 2 of the Streets and Highway Code.

Prior to calculating the 1993/94 property tax shift for special districts, you should review Chapter VII, "Special Districts Subject to AB2371". AB2371 modifies the 1992/93 property tax shift for special districts that were subject to the 10% of total revenues.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Special District (Cont.)

Revenue and Taxation Code Section 97.035 (c) (2) exempts from the 1993-94 property tax shift:

- local hospital districts as described in Division 23 (commencing with Section 32000) of the Health and Safety Code,
- water agencies that do not sell water at retail, but not including agencies the primary function of which, as determined on the basis of total revenues, is flood control,
- transit districts,
- police protection districts formed pursuant to Part 1 (commencing with Section 20000) of Division 14 of the Health and Safety Code
- memorial districts formed pursuant to Article 1 (commencing with Section 1170) of Chapter 1 of Part 2 of Division 6 of the Military and Veterans Code and,
- special districts that were a multi-county special district as of July 1, 1979.

Revenue and Taxation Code Section 97.03 (c) exempted multi-county districts, local hospital districts and city dependent districts from the 1992-93 property tax shift.

The two code sections are mutually exclusive and the exemptions pertain only to their respective fiscal years as described above. For example, city dependent districts are exempt from the 1992-93 property tax shift but not from the 1993-94 shift. Likewise transit districts, water agencies that do not sell water at retail and other districts described above are exempt from the 1993-94 property tax shift but not from the 1992-93 shift.

All multi-county districts are exempt from the 1992-93 property tax shift, but the district must have been a multi-county district as of July 1, 1979 to qualify for the 1993-94 tax shift exemption. Special consideration needs to be made for districts who reorganized, consolidated, annexed territory, etc. thus becoming a multi-county district after July 1, 1979. The district's or districts' original SDAF factor(s) will be used to calculate the 1993-94 property tax shift. In this case, the amount of the tax shift shall represent the current allocation that is attributable to the prior district's or districts' receipt of state assistance payments shifted under AB8 in 1979-80.

In the case of a special district that has been consolidated or reorganized, the district's current property tax allocation attributable to the prior district's or districts' receipt of state assistance payments shifted under the AB8 formula in 1979-80 is used. Districts that consolidated into a city or county would not require an additional shift from the city or county.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Special District (Cont.)

City dependent special districts that were subject to Revenue & Taxation Code Section 98.6 are limited to a 38 percent shift of their current 79-80 bailout equivalent.

For special districts that are engaged in fire protection activities, and have been reported as such in the 1989-90 Financial Transactions Report Concerning Special Districts, the Special District Augmentation funds received in the 1992-93 fiscal year shall be subtracted from the tax shift.

Independent special districts engaged in fire protection activities are provided an additional reduction from the shift by the difference between the "Net Current Year Bailout Equivalent" and the amount contributed to SDAF for 1992-93.

Note:

The intent of SB1135, SB837, AB1519, AB557 and was to shift property taxes from special districts, except for those specifically exempted, to schools equal to the present value of the original bailout received. AB1519 and AB557 were written to clarify the shift provisions of SB1135. The technical language in the bills reflects that intent. However, the intent language of AB1519 section 19 and AB557 section 20 when read literally conflict with the technical language. AB557 supercedes AB1519 language. This committee, after discussion with the State, recommends and these guidelines reflect the technical language to implement the 1993-94 property tax shift for special districts. The State will propose clean-up legislation to eliminate the conflict.

Special District Augmentation Fund (SDAF)

Revenue & Taxation Codes dealing with the Special District Augmentation (98.6 through 98.68) were eliminated beginning July 1, 1993. Adjustments must be made to apportionment factors to eliminate SDAF in the property tax allocation process. Effective with FY 93-94, Special District Augmentation Fund computations as applied to the Unitary Public Utility and Supplemental Rolls' will no longer be necessary.

Although contributions will no longer be made into the SDAF, most counties will have a residual amount remaining in the SDAF from 1992-93. The distribution of any 1992-93 residual amounts should be decided by the Board of Supervisors. Also, the Board of Supervisors must determine how adjustments in apportionment factors will be made for any apportionments that contain a separate factor for SDAF.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Special Districts Providing Fire Protection

Special Districts that are engaged in fire protection activities received special consideration to guarantee at least the same level of property tax funding as they received in the 1992-93 fiscal year from property taxes and Special District Augmentation Funds.

Specifically, the Special District Augmentation Funds allocated in the 1992-93 fiscal year to each Special District engaged in fire protection activities, as reported to the Controller for inclusion in the 1989-90 Financial Transactions Report Concerning Special Districts under the heading of "Fire Protection" shall be subtracted from the amount to be shifted to ERAF by the district. In cases where the district providing fire protection activities received more SDAF in the 1992-93 fiscal year than its SDAF contribution, the difference is adjusted to the benefit of the district, (i.e.: ERAF is used to cover the difference). In cases where a district providing fire protection activities does not have a property tax base but received 1992-93 SDAF, a tax allocation base to the district is established.

In addition, an independent fire district's property tax shift shall be further reduced by the net loss from operations of SDAF in the 1992-93 fiscal year. The net loss from operations of SDAF is determined by taking the difference between the "Net Current Year Bailout Equivalent" (column F of Model A1) and what was contributed to SDAF for 1992-93, using the frozen contribution amount if applicable (column G of Model A1).

For those Special Districts that provide other public service functions in addition to fire protection, the amount reported to the Controller as SDAF revenue under fire activities in the 1992-93 Financial Transaction Report concerning Special Districts shall be used.

Tax Equity Allocation Formula (TEA Formula)

For those counties having a TEA formula calculation pursuant to Revenue and Taxation Code Sections 97.35, 97.36, and 97.38, the 1992-93 ERAF shift amounts plus growth shall be included with each city's 1992-93 allocation for the purpose of computing the 1993-94 TEA formula. For all subsequent years, a similar ERAF adjustment shall be made to the city's allocation before computing the TEA formula.

The above tax allocation adjustment is necessary prior to the TEA formula calculation in order to remove the impact of the ERAF shifts. Otherwise, counties would be reimbursing the cities for their ERAF shift amounts.

II. DEFINITIONS AND INTERPRETATIONS (Cont.)

Water Agency Retail Sales

Water agency special districts that sell water at retail are subject to the property tax reduction requirements of special districts. However, the property taxes of a water agency that does not sell water at retail during 1993-94 shall be exempt from the property tax shift.

An agency that claims it does not sell water at retail within the meaning and timing of Revenue and Taxation Code Section 97.035 should so certify in writing, upon request, to its county auditor. Following the receipt of the certification, the county auditor should calculate the reduction of property taxes accordingly for that agency.

III. 1993/94 CALENDAR OF EVENTS

08/01/93	County must adopt a resolution supporting the 1/2 cent sales tax extension - SB509
08/15/93	State Director of Finance shall notify the County Auditor of the amount of property tax reduction for each county and city
09/15/93	The County Auditor shall determine the property tax reduction for each Special District
09/30/93	The County Auditor shall notify the Director of Finance, of the amounts due ERAF from Special Districts
10/01/93	State Director of Finance will notify the redevelopment agency and each County Auditor of the amounts due to ERAF from redevelopment agencies
10/15/93	County must adopt Teeter Plan Method in order to receive "Teeter Credit" under SB742
11/01/93	Information due to Department of Finance pursuant to R & T 97.036 (applies to 5 counties only - Butte, Madera, Siskiyou, Tulare and Trinity)
01/15/94	County adopting Teeter and wishing to use 50% of delinquent tax for the Tax Loss Reserve Fund must have Board of Supervisors resolution
03/01/94	RDA reports to the County Auditor as to how the agency intends to fund the payment to ERAF
05/10/94	Redevelopment Agency (RDA) shall remit amount to the County Auditor for deposit in the ERAF
05/15/94	If RDA fails to remit the funds required, the County Auditor shall transfer any amount necessary to meet the obligation from the legislative body's property tax allocation

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT

County and City Per Capita Shift

SB1135 added Revenue and Taxation Code Section 97.02 which requires that the amount of property taxes deemed allocated in the prior fiscal year to a county (or city and county) shall be reduced by \$0.80 per county resident. The county calculation will include the population in both the incorporated and unincorporated area of the county. Similarly, for cities, the amount of property taxes deemed allocated in the prior fiscal year shall be reduced by \$1.02 for each city, including newly incorporated cities, (or city and county) resident.

The population data (October 18, 1993 State Controller's Apportionment Report) has been provided by the State Controller as previously explained in the Population/Residents definition in the guideline. (See Appendix)

In accordance with R&T 97.01, the per capita shifts for the 1992-93 year must be reversed, including growth, from the prior year property taxes deemed allocated.

County Flat Amount Reduction

SB1135 added Revenue and Taxation Code Section 97.035 (a) which requires that the amount of property tax revenue deemed allocated in the prior fiscal year to a county or a city and county shall be reduced by an amount to be determined by the Director of Finance.

The Director of Finance by letter dated July 9, 1993 provided all County Auditors their county flat reduction amounts.

City Flat Amount Reduction

SB1135 added Revenue and Taxation Code Section 97.035 (b) which requires that the amount of property tax revenue deemed allocated in the prior fiscal year to a city shall be reduced by an amount to be determined by the Director of Finance.

The Director of Finance by letter dated July 9, 1993 provided all County Auditors with flat reduction amounts for their city/cities.

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT (Cont.)

Special Districts

Prior to calculating the 1993/94 property tax shift for special districts, you should review Chapter VII, "Special Districts Subject to AB2371". AB2371 modifies the 1992/93 property tax shift for special districts that were subject to the 10% of total revenues.

Revenue and Taxation Code Section 97.035, subdivision c, provides for the permanent shift of special districts' property tax revenues to an Educational Revenue Augmentation Fund in fiscal year 1993-94. The following are exempt from the tax shift:

- a. Hospital districts as described in Division 23 (commencing with Section 32000) of the Health and Safety Code.
- b. Water agencies that do not sell water at retail, but not including agencies the primary function of which, as determined on the basis of total revenues, is flood control.
- c. Transit districts.
- d. Police protection districts formed pursuant to Part 1 (commencing with Section 20000) of Division 14 of the Health and Safety Code.
- e. Memorial districts formed pursuant to Article 1 (commencing with Section 1170) of Chapter 1 of Part 2 of Division 6 of the Military and Veterans Code.
- f. Special Districts that were a multi-county special district as of July 1, 1979.

Theoretically, the 1993-94 property tax shift for special districts represents the current year equivalent of the 1979-80 property tax shift from schools under AB8 (AB8 "Bailout"). The SDAF for 1993-94 and thereafter is repealed.

A special district's property tax shift shall be determined using the following calculation (Revenue and Taxation Code Section 97.035(c)(3)):

The property tax allocation for the fiscal year 1992-93, pre ERAF, shall be multiplied by the SDAF factor that was applicable on June 15, 1993. This amount, referenced in Column D of Model A1 as the "Current Bailout Equivalent" is further adjusted by subtracting the district's 1992-93 shift to ERAF. Finally, the amount is adjusted by the agency's growth for 1993-94.

For fire districts, to ensure that their property tax revenues equal the property tax and SDAF funding received in 1992-93, the 1992-93 shift to ERAF is subtracted from the 1992-93 AB8 allocation prior to the multiplication of the SDAF ratio.

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT (Cont.)

Special Districts (Cont.)

R&T Code Section 97.035(c)(3) does not restrict the current bailout equivalent to the capped contributions for independent districts pursuant to Section 98.6(a)(3). Therefore, the 1983-84 SDAF contribution limitation does not apply when determining the current bailout equivalent.

The property tax shift calculation must include increases in assessed valuation including the effects of jurisdictional changes since the original AB8 shift.

In the case of a special district that has been consolidated or reorganized, the district's current property tax allocation attributable to the prior district's or districts' receipt of State assistance payments shifted under the AB8 formula in 1979-80 is used. Districts that consolidated into a city or county do not require an additional shift from the city or county.

City dependent special districts that were subject to Revenue and Taxation Code Section 98.6 are limited to a 38 percent shift of their current 79-80 bailout equivalent.

For special districts who are engaged in fire protection activities, and have been reported as such in the 1989-90 Financial Transactions Report Concerning Special Districts, the Special District Augmentation Funds allocated in the 1992-93 fiscal year shall be subtracted from the tax shift.

Independent special districts engaged in fire protection activities are provided an additional reduction from the shift by the difference between the "Net Current Year Bailout Equivalent" and the amount contributed to SDAF for 1992-93.

As mentioned in the introduction, the intent of the legislation was to recover the original bailout amount plus growth. If a special district did not receive bailout funds, that district is not subject to the 1993-94 property tax shift. However, the district is still subject to the 1992-93 shift amount plus growth.

Special Districts Subject to R&T 98.65-98.68

For counties subject to Sections 98.65-98.68 (3 Counties), the intent of the law is to compute an amount which is equivalent to the original bailout as adjusted for increments, jurisdictional changes, and 1992-93 ERAF shifts; to determine the amount actually distributed to the special district from original bailout as adjusted for the 1992-93 ERAF shifts; and to determine the difference to be transferred to the ERAF for 1993-94.

For these counties, Section 97.035(c)(4) shall be equal to Section 97.035(c)(3).

The ERAF shift attributable to 1992-93 is not restored by these calculations. The previous ERAF shift amounts will be subject to adjustment attributed to growth in assessed valuation for 1993-94. The 97.03(c)(paragraph 1 or 2) adjustment shown in the attached Model C includes 1993-94 growth.

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT (Cont.)

Special Districts Subject to R&T 98.65-98.68 (Cont.)

Redevelopment

The State Department of Finance has determined the amount that each redevelopment agency will remit to the County Auditor for distribution to the Educational Revenue Augmentation Fund (ERAF). This amount was reported to the County Auditor by October 1, 1993, and if not paid by May 10, 1994, shall be transferred from any property taxes due to the legislative body by May 15, 1994.

Allocation factors must be adjusted for the 1993-94 property tax shift to ERAF when determining the amounts due from taxing entities to redevelopment agencies.

Teeter Credit 1993-94

For the 1993-94 fiscal year only, counties that adopt, for the first time in 1993/94, "Teeter" shall reduce the amount of the 1993-94 tax shift by the increased revenue allocated to School Districts, County Office of Education and Community College Districts that are a direct result of implementing Revenue and Taxation Code Section 4701 et seq. The credit to offset the county's tax shift shall be equal to the sum of the following: **1)** 95% Redemption buyout, **Plus 2)** 1993-94 year-end delinquencies payment, **Minus 3)** actual 1993-94 Redemption collections including penalties and interest through June 30, 1994. (The higher the percentage of delinquency in 1993-94 the more the credit will be.)

NOTE:

The implementation of the Teeter Method of Property Tax Allocation will result in increased property tax revenues to basic aid school districts. In addition, revenues from debt service and special assessments, if included in your Teeter Method, will increase for all school districts that receive these revenues. If you calculate the Teeter Credit by including these increased revenues, the State General Fund will be adversely affected. SB742 was represented by members of our association as having no adverse financial impact on the State's General Fund.

The intent of SB742 was to offset the property tax shift from counties implementing Teeter for the first time, by an amount equal to the benefit to the State General Fund due to increased property tax revenues to non basic aid school districts. Therefore, it is this committee's position that, when counties calculate the 1993/94 Teeter Credit, they exclude the increased revenues related to basic aid school districts, debt service, and special assessments.

It is our recommendation that the county's total shift be transferred to ERAF and the "Teeter Credit" be reduced from the ERAF fund after the transfer.

IV. DETERMINING THE PROPERTY TAX TRANSFER AMOUNT (Cont.)

Teeter Credit 1993-94 (Cont.)

Final payment to schools must be made in such a manner as to reflect all revenues received and reported to the State as of June 30, 1994. The 95% buyout shall be reported on the J-29 as prior year revenue and the remaining revenues reported as current. In addition, we recommend that you verify that the June 30, 1994 J-29 report includes all of the 1993/94 Teeter property tax revenues so that you will receive a full credit.

Senate Bill 742 also allows any County, by resolution of the Board of Supervisors, to adopt the alternative method of distribution by extending the July 15 date to October 15, 1993.

SB509 Sales Tax Extension

Calculation of distribution factors per SB509: (See Model B)

Omissions

For special districts providing "Fire Protection", as defined herein, that are not included under the heading of "Fire Protection", in the fiscal year 1989-90 State Controller's Report on Financial Transactions Concerning Special Districts, the auditor should calculate the shift as if the special district was included.

Errors

The Auditor-Controller may make adjustments to a district's revenues as reported in any State Controller's Report on Financial Transactions Concerning Special Districts for known errors. It is recommended that such adjustments be made in consultation with the State Controller's Office and supporting documentation retained.

V. PROPERTY TAX TRANSFER MODELS

The following models provide a graphic display of the steps necessary to complete the calculation which will shift revenue from various taxing jurisdictions to a newly created **Educational Revenue Augmentation Fund** (ERAF) to be distributed to schools. The amounts determined to be shifted to schools from ERAF will be provided to the Auditor by the County Superintendent of Schools and Chancellor of the California Community Colleges. In accordance with Revenue and Taxation Code Section 97.04, all calculations in these models are adjusting revenues at a jurisdictional level and **not** a TRA level. Since the amount going to schools increases yearly by growth, the following examples create a method for calculating incremental growth at a jurisdictional level **without** going into a TRA.

VI. COUNTY PROPERTY TAX ADMINISTRATION CHARGES

INTRODUCTION:

During the 1990-91 State Budget deliberations, the legislature enacted SB2557 Maddy, (Chapter 466 to 1990). This bill contained the authorization for counties to increase revenue to counties by the amount of property tax administrative cost attributable to incorporated cities within each county. It also authorized the County Auditor to annually, commencing with the 1990-91 fiscal year, determine "property tax administrative costs proportionately attributable to local jurisdictions", for Fiscal Year 1989-90 and thereafter, and "submit invoices" to the relevant jurisdictions for those costs. This authorization was codified in Section 97 of the Revenue and Taxation Code (R&T).

During the 1991-92 legislative session, Section 97 of the Revenue and Taxation Code (R&T) was amended to exclude schools from being invoiced for the Property Tax Administrative charge and require Board of Supervisors action in order to recover these costs from local jurisdictions other than the county or city and county, and cities.

Chapter 697 of the 1992 Statutes, effective for the 1992-93 fiscal year amended Section 97.5 of the R&T Code, superseding provisions contained in Section 97. The major changes were:

- The portion allocated to Education Revenue Augmentation Fund (ERAF) per Section 97.03 is included and is liable for a proportionate share of costs.
- Costs are recovered from the apportionment of current secured collections during the year.

Chapter 66 of the 1993 Statutes, effective for the 1993-94 fiscal year again amended Section 97.5 of the R&T Code. The provisions allowing for the collection of property tax administrative fees attributable to the Educational Revenue Augmentation Fund (ERAF) was deleted.

These guidelines address the: (1) determination of property tax administration costs and revenue offsets, (2) allocation of costs to various jurisdictions, (3) application of allocated costs by tax transfers.

VI. COUNTY PROPERTY TAX ADMINISTRATION CHARGES (Cont.)

1. Property Tax Administrative Costs

Annually, commencing in 1990-91, it will be necessary to calculate the County's prior year tax administrative costs.

"Property Tax Administrative Costs" for purposes of compliance with the provisions of Revenue and Taxation Code Section 97.5 refers to the property tax related administrative costs of the assessor, tax collector and auditor.

In order to calculate the property tax administrative costs, it will be necessary to determine the department direct, and "A-87" overhead costs related to property taxes in the assessor, tax collector and auditor departments. It will also be necessary to "offset" the total property tax related costs by revenues intended to reimburse the County for various property tax processes.

"Direct Costs" are calculated by identifying and costing out all activities directly involved in processing property taxes. Such costs include not only staffing costs, but also departmental indirect costs such as administrative salaries, services and supplies, etc. "Departmental Indirect Cost" is an accounting term used to describe a process of assigning (or charging) those costs of a department/organization which are common to two or more of its functions.

In the case of the assessor's department, usually all departmental costs are related to property tax administration. The sole purpose of the assessor is to assess taxable property. However, the assessor's function should be reviewed, and if the assessor is performing any services outside of the property tax function, the costs of those services should be excluded from these calculations (unless the county is reimbursed for those services -- in which case it would be a revenue offset as discussed below).

In the case of the tax collector and auditor, it will be necessary to assign departmental direct costs to the property tax function. These departments have other responsibilities not related to property tax administration. Costs such as salaries, benefits, services and supplies will have to be reviewed and assigned to property tax administration. The process of assigning these costs should be well documented so that future review of this process can be performed.

The cost of an assessment appeals board should not be included. However, the cost of county counsel representing the assessor before the assessment appeals board should be included either by direct interdepartmental charges to the assessor's budget unit or through the Cost Allocation Plan. County counsel costs incurred on behalf of the Appeals Board are to be excluded.

In addition, costs incurred by the assessor in association with work attributable to the assessment appeals process are includable and eligible for recovery.

VI. COUNTY PROPERTY TAX ADMINISTRATION CHARGES (Cont.)

"Overhead Costs" are calculated in accordance with Federal Office of Management and Budget (OMB) Circular A-87 standards, per Revenue and Taxation Code Section 97.5. This circular establishes principles and standards for determining costs applicable to Federal grants, contracts, and other agreements with state and local governments. For each fiscal year, the recovery of indirect overhead costs should be based on the allocation of the prior year's actual costs, pursuant to Circular A-87 standards. Fixed asset depreciation is generally considered part of overhead pursuant to Circular A-87, and therefore the direct expenditure for purchase of capital items should not be included in direct costs. Please note that overhead costs will vary from county-to-county, depending upon the procedure used in each county for classification of particular costs as direct or indirect. For example, computer costs may be charged in one county as direct costs, but charged as indirect costs through its A-87 plan in another county.

"Offsetting Revenues" are revenues received, in accordance with State statutes, to reimburse counties for portions of property tax administration. These revenues should be used to "offset" the direct and overhead property tax related costs. Revenues that are penalties for late payment of taxes, e.g. penalties on current delinquent taxes (R&T 2617, 2618, 2992(a)(b), and 75.52(c)) should not be included in revenue offsets. The following are examples of offsetting revenues:

- Supplemental Tax Administration Reimbursement, R&T 75.60
- Special Assessment Administration Fee, Government Code (G.C.) 29304 & 51800
- Tax Collector \$10 Cost for preparing delinquent list, R&T 4653.8
- Assessor Mapping Fees
- Tax Defaulted Land Sale Fees actual and reasonable cost of personal contact and actual and reasonable cost of notice, R&T 4112
- Tax Sales Administration Charges, R&T 4672.1 & .2
- Augmentation Fund Administration Fee, R&T 98.6
- Redevelopment Base Year Projected Revenues Fee, Health & Safety Code (H&S) 33328.7 & 33607
- 1915 Act Assessment Collection Charges, Streets & Highways Code 8682
- Any Other Property Tax Administration Reimbursement Revenue

The net amount after offsetting revenues against Property Tax Administrative Cost will be allocated in accordance with R&T 97.5.

VI. COUNTY PROPERTY TAX ADMINISTRATION CHARGES (Cont.)

"Direct Credit" Certain revenues should be recognized as "direct credit" rather than as an offset to total costs. These are fees paid by local jurisdiction for property tax services, e.g. the 1/4 of 1% (negotiated) charge to special districts under G.C. 29142 for their proportionate share of the 1% levy only. Amounts collected from debt service levies and special assessments are offsets to the total costs prior to determining each jurisdiction's share.

2. Determination of Property Tax Administrative Cost Apportionment Factors

Property tax administration costs as determined in Section 1 should be allocated to the various jurisdictions as follows: (See Exhibit II-1).

Elements:

A = Gross property tax allocation for the prior fiscal year under AB8 (R&T Sections 97 and 97.5). Commencing with the 1992-93 fiscal year, current year allocations are used.

B = Net allocations to redevelopment agencies (See notes 2 and 3)

C = Amounts allocated from the Unitary and Operating Non Unitary process (1% portion - R&T 98.9(c))

Formulas:

Step 1 $A+B+C = \text{Total D (see notes)}$

Step 2 Develop allocation factors (percent) by dividing each jurisdiction's total by the total of all jurisdictions, including redevelopment agencies.

Notes:

1. "Net" allocations to redevelopment agencies should be after adjusting for only those pass-through agreements that are administered by the auditor as authorized in H&S 33401 and 33676.
2. For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB8 calculation process, element B would not be used in this calculation. However, "pass-through" (note 1 above) would be added in the above formula.

3. Administrative Cost Recovery

R&T 97.5 requires that the administrative cost amounts computed pursuant to Section II be deducted from cities, RDAs, and special districts.

These reductions are made without regard to Government Code Section 907 per R&T 97.5(d)(4).

VI. COUNTY PROPERTY TAX ADMINISTRATION CHARGES (Cont.)

4. **Section 97.5 of the Revenue and Taxation Code** (As amended by Chapter 697, Statutes of 1992)

Except as otherwise provided in Section 97.51 or 97.52, for the purpose of apportioning property tax revenues each fiscal year.

- (a) The amount of property tax revenue allocated pursuant to subdivisions (a) and (b) of Sections 96 or subdivision (a) of Section 97, modified by any adjustments made pursuant to Section 99 or 99.4, and subdivision (e) of Section 98, shall be combined to compute the total amount of property tax revenue allocated to the jurisdiction with respect to the tax rate area.
- (b) The total amount of property tax revenue allocated to each jurisdiction with respect to all tax rate areas as determined pursuant to subdivision (a) shall be added to compute a total amount of property tax revenue for a jurisdiction in all tax rate areas.
- (c) Each amount determined pursuant to subdivision (b) shall be divided by the total of all such amounts computed. The quotient determined shall be used to apportion actual property tax collections and shall be known as the "property tax apportionment factors."
- (d)(1) Notwithstanding any other provision of law, for the 1990-91 fiscal year and each fiscal year thereafter, the auditor shall divide the sum of the amounts calculated with respect to each jurisdiction or community redevelopment agency pursuant to Sections 97, 98.6, and 98.9, and Section 33670 of the Health and Safety Code, by the countywide total of those calculated amounts. The ratio shall be known as the "administrative cost apportionment factor" and shall be multiplied by the sum of the property tax administrative costs incurred in the immediately preceding fiscal year by the assessor, tax collector, and auditor to determine the fiscal year property tax administrative costs proportionately attributable to each jurisdiction or community redevelopment agency.

For the purposes of this paragraph, property tax administrative costs shall not include any amount reimbursed pursuant to Section 75.60 and 98.6, or include any amount in excess of the amounts reimbursable pursuant to Section 75.60, unless a county meets the conditions of paragraph (2) of subdivision (b), of Section 75.60.

VI. COUNTY PROPERTY TAX ADMINISTRATION CHARGES (Cont.)

4. Section 97.5 of the Revenue and Taxation Code (Cont.)

- (d)(5) Any additional amounts of property tax revenue allocated to the county pursuant to this subdivision shall be used only to find costs incurred by the county in assessing and collecting property taxes, and in allocating property tax revenues, and shall constitute charges for those services, not exceeding the actual and reasonable costs incurred by the county in performing those services.
- (d)(6) It is the intent of the Legislature in enacting this subdivision to recognize that since the adoption of Article XIII A of the California Constitution by the voters, county governments have borne an unfair and disproportionate part of the financial burden of assessing, collecting, and allocating property tax revenues for other jurisdictions and for redevelopment agencies. The Legislature finds and declares that this subdivision is intended to fairly apportion the burden of collecting property tax revenues and is not a reallocation of property tax revenue shares or a transfer of any financial or program responsibility.
- (d)(7) Commencing with the 1992-93 fiscal year and each fiscal year thereafter, this subdivision shall supersede and replace subdivisions (e), (f), and (g) of Section 97, as that section read on January 1, 1992, as authority for a county to recover property tax administrative costs.
 - (e) For 1980-81 and each year thereafter, the property tax apportionment factors for the current year shall be used to apportion the total amount paid to a county annually for reimbursement of the loss from business inventory exemptions pursuant to Chapter 1150 of the Statutes of 1979.
 - (f) For 1980-81 and each year thereafter, prior years' property tax revenues shall be apportioned using the factors determined pursuant to subdivision (c) for the immediately preceding fiscal year.
 - (g) For 1979-80, prior years' property tax revenues shall be apportioned using the tax allocation factors computed pursuant to Section 26912 of the Government Code.
 - (h) Notwithstanding the provisions of this section, property tax revenues may be apportioned by tax rate area.
 - (i) Supplemental property tax revenues for 1985-86 and each year thereafter, generated by Sections 75 to 75.80, inclusive, shall be apportioned using the property tax apportionment factors for the current year. Exhibit II-1

PROPERTY TAX ADMINISTRATIVE COST APPORTIONMENT FACTORS MODEL

ENTITY	-A- GROSS (AB8) ALLOCATION	-B- TO RDA (NET) (2), (3)	-C- UNITARY & OPER. NON UNIT.	-D- TOTAL A-B+C-C+E	-E- ADMIN. COST APPORT. FACTOR	-F- COST ALLOC (E X TOTAL) (4)	-G- RECOVERABLE AMT.
COUNTY	2,000	-90	80	1,990	25.5%	\$ 51.00	\$ -0-
CITY A	620		30	650	8.3%	16.60	16.60
CITY B	780	-200	30	610	7.8%	15.60	15.60
DISTRICT C	400	-30	10	380	4.9%	9.80	9.80
DISTRICT D	300	-80	10	230	2.9%	5.80	5.80
DISTRICT E (SUBSIDIARY OF CITY A)	400		15	415	5.3%	10.60	10.60
DISTRICT F (SUBSIDIARY OF CITY A)	500		20	520	6.7%	13.40	13.40
SCHOOLS	2,000 ⁽⁴⁾		100	2,100	26.9%	53.80	
ERAF	500			500	6.4%	12.80	-0-
AGENCY G REDEVELOPMENT		250	10	260	3.3%	6.60	6.60
AGENCY F REDEVELOPMENT		150	10	160	2.0%	4.00	4.00
TOTALS	7,500	-0-	340	7,805	100%	\$200.00	\$82.40

FOOTNOTES:

- (1) "Net" allocations to redevelopment agencies should be after adjusting for (only) those pass-through agreements that are administered by the auditor as authorized in Health & Safety Code 33401 and 33676.
- (2) For those counties that accomplish transfers to redevelopment agencies by reducing assessed values earlier in the AB8 calculation process, element - B- would not be an element in this calculation. However, "pass-through" (note 2 above) would be added in the above formula.
- (3) Assumes cost (as calculated per Section 1) = \$200.00
- (4) Schools are excluded from transfer of administration fee.

VII. SPECIAL DISTRICTS SUBJECT TO AB2371

Introduction and Interpretations

AB2381 (Chapter 1279, 1993 Statutes) amended Revenue and Taxation Code Section 97.03 governing the amount of property taxes shifted from special districts to ERAF. This bill has an urgency clause and was effective October 11, 1993.

Section 97.03 mandated specific steps to be taken by the county auditor in determining the amount of property taxes to be shifted from each special district to the Educational Revenue Augmentation Fund (ERAF) in fiscal year 1992-93. Last year's calculations for each special district were restricted to the lessor of:

40% of each districts' property tax allocation, or;
10% of the districts' total revenues as reported in the 89-90 State Controller's Annual Report for special districts.

The amendments of AB2371 modify the total revenues used in determining the "10% of total revenues" by excluding the following from the calculations:

1. "Any one-time revenues received by a special district from any source, public or private."
2. "Any revenues derived from an enterprise activity with respect to which no property tax revenues are reported on the district's most recent report to the Controller of financial transactions. For purposes of computing this exclusion with respect to a special district created by consolidation of two or more special districts subsequent to the 1989-90 fiscal year, the amount of the exclusion shall be the aggregate of the exclusions that would have been applicable under this subparagraph as if each former district so consolidated had continued in existence."
3. The total annual revenues of a qualifying resource conservation district shall (per AB2371) exclude the following:
 - a. Any revenues received from the State for the acquisition of land, or the construction or improvement of State projects, for which the district serves as the fiscal agent of the state per an existing agreement with a state agency.
 - b. Amounts received by the qualifying district as a private gift or donation.
 - c. Amounts received as a county grant or contract as supplemental to, or independent of, that district's property tax share.
 - d. Any Federal or State grant amounts received.

VII. SPECIAL DISTRICTS SUBJECT TO AB2371 (cont.)

Introduction and Interpretations (Cont.)

The exclusions pertaining to resource conservation districts appear to apply to a specific district located within one or all of the following counties: Del Norte, Humboldt, Mendocino, and Sonoma.

The major impact to the majority of the counties is from the first two exclusions of one-time revenues and enterprise activities which no property tax revenues were reported. It appears that adjustments will be necessary not only to the AB8 amounts but also a cash adjustment to correct last year's tax apportionments.

In order to determine whether or not a revenue reported in 89-90 qualifies as a "one-time" revenue copies of the annual reports filed with the State Controller for 88-89, 89-90, and 90-91 should be provided by the district with a description detailing why this revenue qualifies. If a specific revenue was received once in 89-90, it should be excluded from the 10% calculation.

The exclusion for enterprise activity revenues is restricted to the following:

1. A district providing and reporting more than one activity.
2. Any enterprise activity special district reporting zero county allocation of taxes, would result in a total exclusion of all enterprise revenues reported for that activity. SDAF revenues are excluded from the definition of property tax revenues.
3. If a district is involved in both an enterprise activity and non-enterprise activity and reports all property tax support in the non-enterprise activity, then 100% of the enterprise activity revenues should be excluded from the 10% revenue calculation.
4. Any enterprise activity reported as receiving support from the county allocation of property taxes is not eligible for this exclusion.

Determining AB2371 Adjustments

For example, in Ventura County, the above criteria for each enterprise activity district was used to determine if any adjustment to the 92-93 ERAF shift should be made. Comments and findings are listed below:

1. Any special district providing a single enterprise activity was excluded from the review.
2. If the resulting adjusted 10% calculation is greater than the amount based on the 40% amount actually shifted, no correction is needed.
3. If 100% of AB8 allocated amount is pledged to the support of debit, no analysis is needed.

VII. SPECIAL DISTRICTS SUBJECT TO AB2371 (cont.)

Determining AB2371 Adjustments (cont.)

4. Taxes levied and reported as "Debt Service Taxes" were excluded from the definition of taxes reported under the enterprise activity.

Special districts in Ventura County providing more than one activity which may qualify for the enterprise revenue exclusion pursuant to AB2371, are as follows:

CHANNEL ISLANDS COMMUNITY SERVICE DISTRICT

Provides both water utility and waste disposal enterprise activities.

The District certified that 100% of its AB8 property tax allocation is pledged to the support of debt. No further action taken.

UNITED WATER CONSERVATION DISTRICT

Provides recreation and park and water conservation non-enterprise activities, plus water utility enterprise activity.

A review of the State Controller's report reveals that no property tax allocations were reported for the enterprise activity of the District. (Excluding the amount reported as debt service taxes.)

Summary of 92-93 calculations:

AB8 allocation amount	\$ 1,259,390
40% of the AB8 allocation	503,756
Total 89-90 revenues all activities	7,210,073
10% 89-90 total revenues	721,007

Amount shifted to ERAF

503,756

AB2371 Adjustment to Revenue Amounts:

Total 89-90 revenues all activities	7,210,073
Less enterprise activity exclusion	<u>(5,329,367)</u>
Adjusted revenue base	1,880,706

10% of AB2371 adjusted revenues

188,071

Retroactive adjustment due District from ERAF

315,685

CASITAS MUNICIPAL WATER DISTRICT

Provides non-enterprise park and recreation activities and water utility enterprise activities.

Does not qualify for the AB2371 exclusion because the property taxes received by the District were reported as supporting the enterprise activity.

VII. SPECIAL DISTRICTS SUBJECT TO AB2371

Determining AB2371 Adjustments (Cont.)

CAMROSA WATER DISTRICT

Provides both water utility and waste disposal enterprise activities.

	<u>Waste</u>	<u>Water</u>	<u>Total</u>	
89-90 Revenues	900,557	7,126,986		8,027,543
AB2371 Exclusion	(900,557)			<u>(900,557)</u>
Adjusted Total Revenues			<u>7,126,986</u>	
10% of adjusted revenue base				<u>712,699</u>
40% of AB8 Allocation shifted to ERAF in 92-93				<u>133,155</u>

No adjustment due since adjusted 10% revenue amount exceeds the amount shifted to ERAF based on 40% of the 91-92 AB8 allocated amount.

VII. SPECIAL DISTRICTS SUBJECT TO AB2371

Sample Letter to Special Districts

AB2371 mandates that **"Any one-time revenues received by the district from any source, public or private."** shall be excluded from the determination of total annual revenues. To ascertain if any adjustment is needed to comply with this requirement the following letter will be sent to each special district in **Ventura County**.

Revenue and Taxation Code Section 97.03 mandated specific calculations be performed by the county auditor in determining the amounts to be shifted from special districts to the Educational Revenue Augmentation Fund (ERAF) in 92-93. On October 11, 1993 AB2371 was signed (Chapter 1279, 1993 Statutes) and excluded,

"Any one-time revenues received by the district from any source, public, or private."

Please review the revenues reported to the State Controller on your annual financial report for fiscal year 89-90 to determine if any revenues received qualify as a "one-time revenue". For example, if you received a Federal or State grant, a special district augmentation allocation 89-90 only, a private donation, etc., do not include revenues received each year that may have been more in 89-90 verses other fiscal years.

If you determine that you received a one-time revenue, please document this with copies of the annual financial reports filed with the State Controller for 88-89, 89-90, and 90-91 with a description detailing why this revenue qualifies.

Once received, we will recalculate the 89-90 revenue amount excluding the one-time amount and compare the results to the final amounts used in 92-93. If an adjustment is due, we will make the necessary changes to your AB8 amount and calculate the amount due from ERAF for 92-93.

Timeliness is of the utmost importance in order to avoid additional delays resulting from any corrections that may arise. We are therefore requesting a response be faces to us on or before November 3, 1993 (Fax No (805) 654-5081). Thank you for your cooperation in this matter.

Sincerely,

Thomas O. Mahon
Auditor-Controller

1993 LEGISLATIVE SESSION

1993/94

ADDENDUM

TO

PROPERTY TAX SHIFT

UNIFORM GUIDELINES

FOR

CALIFORNIA COUNTIES

Prepared by

**COUNTY ACCOUNTING STANDARDS AND
PROCEDURES COMMITTEE**

OCTOBER 1994

INTRODUCTION

During the 1994/95 State budget process, the State Legislature passed, and the governor signed into law, Assembly Bill 860, Chapter 155. Amendments made in Revenue and Taxation Code Sections 97.02, 97.03, and 97.04 by AB 860 require modification in some counties to the 1992/93 tax shift and in all counties to the 1993/94 property tax shift to ERAF. Affected taxing jurisdictions may have retroactive and ongoing additional shift requirements to ERAF beginning in 1994/95. The following are guidelines which should be used as an addendum to the Final 1993/94 Property Shift Guidelines adopted April 15, 1994 by the Accounting Standards and Procedures Committee.

Per Capita Shift Changes

Through an amendment to Revenue & Taxation Code Section 97.02, AB 860 requires a recalculation and a retroactive adjustment of the per capita shift for the 1993/94 fiscal year. The property tax revenue deemed allocated to the county, or city and county, in the prior year (i.e. 1992/93) shall be reduced by an amount equal to \$.78 instead of \$.80 per each resident of the county. The property tax revenue deemed allocated to a city, or city and county, in the prior year (i.e. 1992/93) shall be reduced by an amount equal to \$.99 instead of \$1.02 per each resident of the city. Note that this per capita adjusted shift is a permanent adjustment to the property tax revenue deemed allocated.

This reduced 1993/94 shift amount, plus growth, shall increase the property tax deemed allocated to cities and counties in the prior year (i.e. 1993/94) for the 1994/95 fiscal year. The population count as reported on the State Controller's report dated October 18, 1993 (included on pages 51-61 in the original guidelines) shall continue to be used for this calculation.

Repeal of Revenue Exclusions for Special Districts Subject to AB2371

Through an amendment to Revenue & Taxation Code Section 97.03(c)(4)(A), AB 860 repeals the one time revenue exclusion contained in Assembly Bill 2371 (Chapter 1279, 1993 Statutes). Through an amendment to Revenue & Taxation Code Section 97.03(c)(4)(B), AB 860 repeals the enterprise activity revenue exclusion contained in Assembly Bill 2371 (Chapter 1279, 1993 Statutes). These amendments will require a recalculation of the 1992/93 and 1993/94 tax shift for any special district which received an adjustment to exclude either one time revenue or revenues derived from an enterprise activity for which no property tax revenues were reported on the district's 1989/90 Report of Financial Transactions to the State Controller. These recalculated shift amounts, plus growth, will also require an adjustment to the property tax deemed allocated in the prior year for the 1994/95 fiscal year (and 1993/94).

Please note the following items which should be considered when making this recalculation.

- A determination should be made whether the repeal of the one time revenue exclusion changes any district's shift calculation basis to 40% of the property tax allocation from 10% of total revenue for fiscal year 1992/93.
- A change in the 1992/93 shift amount will also change a district's shift calculation for 1993/94 if that district received bailout. The base tax against which the bailout factor is calculated will be reduced due to a larger 1992/93 shift, and the net 1993/94 shift will be smaller because the 1992/93 shift deducted from the gross 1993/94 has increased.
- Pursuant to AB 860, Section 12, any additional property tax revenue transfers required by the retroactive recalculation of the 1992/93 and 1993/94 shifts may be made during the 1994/95 and 1995/96 fiscal years. However, at least 50% of the transfer must be completed by June 30, 1995.

Exempting ERAF from RDA Increment Contributions

The 1993/94 Property Tax Shift Guidelines issued in October 1993 were revised in April 1994 to provide that ERAF should contribute tax increment along with all other jurisdictions to redevelopment agencies. A revised jurisdictional model (page 16.5) was developed to reflect this adjustment. AB 860, through an amendment to Revenue & Taxation Code Section 97.04, reverses the April guideline revision.

Counties that used the jurisdictional Model A-Revised Schedule should recalculate the 1993/94 shift using the original Model A (a copy of Model A is included in this addendum as Attachment I). Counties which implemented the 1993/94 shift using the Tax Rate Area Level Methodology should make any necessary adjustments to insure that ERAF does not contribute a proportionate share of tax increment due to RDAs.

By making the adjustments noted in the preceding paragraph, ERAF's share of tax increment due to RDAs shall instead be paid by shift affected jurisdictions in proportion to the total amount of the reductions required with respect to the county and each city and special district in each of these redevelopment agency tax rate areas under Revenue & Taxation Code Section 97.01, 97.02, 97.03, and 97.035. Jurisdictions not required to shift tax dollars are not affected by this code amendment.

Counties which charged ERAF a proportionate share of tax increment due to RDAs for the 1992/93 fiscal year and implemented that allocation on or before June 30, 1993 are not required to make any adjustments pursuant to Revenue & Taxation Code Section 97.04(b)(1) and (2) for the 1992/93 fiscal year.

Please note the following items which should be considered when making any tax allocation adjustments.

- Any additional amount required to be allocated to ERAF pursuant to Revenue & Taxation Code Section 97.04 shall not be subject to annual growth. This is consistent with Model A, footnote B of the November 1993 guidelines (see Attachment I to this addendum).
- Pursuant to AB 860, Section 13, any additional property tax revenue transfers required by the retroactive recalculation of the 1993/94 shift may be made during the 1994/95 and 1995/96 fiscal years. However, at least 50% of the transfer must be completed by June 30, 1995.

Other Considerations

- Because AB 860 changes the shift in prior years, county auditors will need to determine whether prior year allocation factors should be recalculated and applied to the distribution of prior year property taxes.
- Section 11 of AB 860 includes intent language which may appear to conflict with subdivision (c) of Section 97.035 of the Revenue and Taxation Code. The specific language in subdivision (c) of Section 97.035 of the Revenue and Taxation Code should continue to be followed in calculating the 1993-94 district tax shifts.

Model A
HEWEGA COUNTY 1993-94
TAX SHIFT TO ERAF 92-93 CARRY FORWARD AND ADDITIONAL 93-94 SHIFT

	A	B	C	D	E	F	G	H	I	J	K	L
	92-93	93-94	93-94	92-93 ERAF ADJUST		93-94 ERAF Adjustments			93-94	93-94	Less 93-94	93-94
	AB 8	Percent	AB 8	Adj 4 92-93	Adj 4 93-94	93-94	93-94	93-94	Adj AB 8	Adj AB 8	Est RDA	Net Prop
	Allocation	Growth	Allocation	Growth	Growth	ERAF Amt	Per Capita	Adj4 Growth in 93-94	Allocation	Allocation Factors	Tax Increment	Amount
NOTE: Retroactive adjustment per AB2371 may be made to amounts either in COL C or COL I												
Hewega County G/F	45,000,000	104.50%	47,025,000	(3,750,000)	(3,918,750)	(12,300,000)	(223,000)	(13,068,535)	30,019,715	0.3656159	(590,000)	29,429,715
Hewega Co Fire Prot Dist	820,900	106.00%	870,154	(88,800)	(72,928)	(64,420)		(68,285)	728,941	0.0088779	(53,000)	675,941
Knowbooklez Co Library	922,600	103.00%	950,278	(85,500)	(88,065)	0			862,213	0.0105011	(36,000)	826,213
NoH20hoz Fire District	1,010,800	102.50%	1,036,070			60,000		61,500	1,097,570	0.0133675	(23,000)	1,074,570
Ullteumweevum Fire Dist	6,630,000	104.75%	6,944,925	(850,000)	(890,375)	47,400		49,652	6,104,202	0.0743443	(100,000)	6,004,202
Phunandgaims Rec & Park Di	5,808,000	105.50%	6,127,440	(832,500)	(878,288)	0			5,249,153	0.0639305		5,249,153
Weeklum Pest Abate Dist	257,500	104.50%	269,088	(25,300)	(26,439)	(88,518)		(92,501)	150,148	0.0018289		150,148
Yugottago Sanitation Dist	788,000	101.50%	799,820	0		(159,430)		(161,821)	637,999	0.0077703		637,999
City of Maulsgalor	12,000,000	106.00%	12,720,000	(1,046,400)	(1,109,184)	(1,700,000)	(66,000)	(1,871,960)	9,738,856	0.1188114	(395,000)	9,343,856
City of Yudentcomen (NO/LOV	1,250,000	107.50%	1,343,750	(104,900)	(112,768)	0	(33,000)	(35,475)	1,195,508	0.0145803	(91,000)	1,104,508
Yukantoomen Light Dist	143,200	107.50%	153,940	0		(13,898)		(14,940)	139,000	0.0016929	(13,000)	126,000
Yukantoomen Sanitation	3,597,000	107.50%	3,866,775	0		(280,817)		(301,879)	3,586,896	0.0434177	(270,000)	3,294,896
Yukantoonenanyoos Library	0	107.50%										
				(6,783,400)	(7,096,797)	(14,499,683)	(322,000)	15,522,245	22,619,040	0.2754817		
	78,228,000		82,107,240						82,107,240	100.00%		

A This is the AB8 allocated amount to any adjustments for ERAF, RDA ATI, or SDAFFY.

B The percent change is the growth from 92-93 to 93-94 net redevelopment tax increment amounts for each year.

C Total AB8 allocated amounts for 93-94 adjusted for growth and jurisdictional changes prior to ERAF, RDA.

D 92-93 amounts shifted to ERAF including 92-93 growth adjustment from each local district. NOTE amounts for county and cities exclude the 92-93 per capita shift and its growth.

E This is the 92-93 ERAF amount adjusted for 93-94 growth.

F This is the amount reported to each county auditor by the State Department of Finance in its letter dated July 9, 1993 and the amounts computed for each special district.

G This is the 93-94 per capita shift per Setion 97.02 based on \$0.80 for the County and \$1.02 for each city. NOTE the NO/LOW city is subject to the per capita shift only.

H Includes both the per capita amount and base shift amounts, ie, Col F puls Col G multiplied by the growth factor in Col B.

I This was computed by adding Col C, Col E and Col H.

J Approtionment factors to be used during 93-94 fiscal year.

K The estrimated 93-94 redevelopment tax increment for each district is based on the 92-93 amount plue growth for 93-94.

L This column is for reference only for comparison purposes to the 92-93 net property tax amounts.

ASSEMBLY BILL 1589 & SENATE BILL 431

1997 LEGISLATIVE SESSION

SECOND ADDENDUM

TO

PROPERTY TAX SHIFT

UNIFORM GUIDELINES FOR CALIFORNIA COUNTIES

Prepared by

**COUNTY ACCOUNTING STANDARDS AND
PROCEDURES COMMITTEE**

December 1997

FOREWORD

These addendum guidelines were developed, with input from the State Department of Finance, County Supervisors Association of California and by a sub-committee of the County Accounting Standards and Procedures Committee. In preparation of these guidelines every effort has been made to offer the most current, correct, and clearly expressed information possible. Its purpose is to provide addendum guidelines on matters relative to the 1997 Legislative Session Assembly Bill 1589 and Senate Bill 431.

However, you may have questions/issues/interpretations that either we have not anticipated or adequately addressed as part of these guidelines. If so, you may wish to seek the advice of your County Counsel.

The State Association of County Auditors and the County Accounting Standards and Procedures Committee wish to thank all those who participated in the completion of these addendum guidelines.

The County participants were:

Richard Arrow	Marin County
Steve Ybarra & Paul Abelson	Contra Costa County
Rod Dole	Sonoma County
Dave Elledge	Monterey County
Bob Geis	Santa Barbara County
Marianne Reich	Los Angeles County
Woody McWaters	Ventura County
Mark Norris & Kim Le	Sacramento County
Marsha Stillman	San Luis Obispo County

In addition, the committee was assisted by Dan Wall of CSAC and Pedro Reyes of the State Department of Finance.

OVERALL INTRODUCTION

During the 1997 Legislative Session the Legislature passed and the Governor signed Assembly Bill 1589 and Senate Bill 431. These bills clarified issues related to the property tax shifts. These two issues are discussed in the first two sections of this document titled:

- Library ERAF
- Fire Service District or Department EMF

In addition, there has been some discussion regarding the calculation of the "Teeter Credit". Due to the Teeter Credit effect on the property tax shift, we have, once again, included this topic as part of these guidelines. You will find this topic in the third section of this addendum guideline.

LIBRARY ERAF

Introduction

On August 18, 1997, the Governor signed AB1589 (Chapter 290 Statutes of 1997) with an urgency clause; therefore, it became effective immediately. The bill clarifies existing law and states that libraries are subject to the ERAF shifts, including annual growth, pursuant to Revenue and Taxation Code Sections 97.2 (92-93 shift) and 97.3 (93-94 shift) and for each fiscal year thereafter.

Certain Libraries Exempt

On October 7, 1997, the Governor signed into law Senate Bill 431 (Chapter 786, Statutes of 1997). It became effective immediately. This bill clarifies existing law and states that under certain conditions a library is exempt from any requirement to shift property taxes to ERAF. Thus, the following is an addendum that adds to both the 1992-93 and 1993-94 Property Tax Shift Guidelines adopted by the Accounting Standards and Procedures Committee and should be applied to each.

Through an amendment to Revenue and Taxation Code Section 97.37 (c), SB431 exempts a library from the requirement under Revenue and Taxation Code Sections 97.2 and 97.3, to shift property taxes to ERAF, if:

1. The County Auditor had not shifted ad valorem property tax revenue to ERAF as of January 1, 1996, and
2. Any one of the following conditions are true:
 - a. The county has a county free library system, and 1) that system did not levy a property tax rate separate from the property tax rate of the county for fiscal years 1975-76, 1976-77 or 1977-78, 2) that system was not entitled to an allocation of property tax revenue for the fiscal years 1978-79 and 1979-80, and 3) that system did not receive state assistance payments (bailout) pursuant to Sections 16260, 26912, or 26912.1 of the Government Code. (If the conditions of items 1 and 2a are met, the result is a complete exemption

from the requirement to shift ad valorem property taxes from the library to ERAF .)

- b. The county has a county free library system, and for fiscal year 1977-78, the county free library system was organized as a joint powers agency pursuant to Chapter 5 (commencing with section 6500) of Division 7 of Title 1 of the Government Code. (If the conditions of items 1 and 2b are met, the result is a complete exemption from the requirement to shift ad valorem property taxes from the library to ERAF.)
- c. The county has a county free library system that was established pursuant to Article 1 (commencing with Section 19100) of Chapter 6 of Part 11 of Division 1 of Title 1 of the Education Code and it levied a separate property tax rate in the 1977-78 fiscal year; but the county free library was not actually allocated property tax revenues pursuant to this chapter for fiscal year 1992-93 and some portion of fiscal year 1993- 94. (If the conditions of items 1 and 2c are met, the result is a complete exemption from the requirement to shift ad valorem property taxes from the library to ERAF.)

FIRE AGENCY/DEPARTMENT/DISTRICT ERAF

Introduction

On August 18, 1997, the Governor signed AB1589 (Chapter 290 Statutes of 1997) with an urgency clause. Therefore it became effective immediately. A portion of this bill clarifies the 1992-93 property tax shifts as it relates to any district or fire department.

New Statute (97.2)c(4)(B)

"In counties that contract with the state to protect state responsibility areas, the total amount of all funds, regardless of the source, that are appropriated to a district, including a fire department, by a board of supervisors pursuant to Section 25642 of the Government Code or Chapter 7 (commencing with Section 13890) .of Part 2.7 of Division 12 of the Health and Safety Code for fire protection."

Discussion

AB1589 of 1997 modified Revenue and Taxation Code Section 97.2 (c)(4)(B). Previous law simply excluded from the calculation of the ERAF shift any contribution by a Board of Supervisor pursuant to Section 25642 of the Government Code (Shade Tree Law of 1909). The new language above clarifies the situation under which any district or fire department's total revenues would be exempt from the calculation of the property tax shift pursuant to Revenue and Taxation Code Section 97.2. Within California, there are 7 contract counties affected by the new language (Marin, Orange, Ventura, Los Angeles, Santa Barbara, Kern, and Sonoma). All these counties had contracts with the State of California to provide fire protection services in state responsibility lands and therefore, their revenues are exempt from the 1992-93 shift.

TEETER CREDIT

Introduction

Recently there has been some confusion or difference of opinion regarding the calculation of the "Teeter Credit". This section of the addendum is meant to clarify the position of the County Accounting Standards and Procedures Committee.

Discussion and Position

Counties that adopt the "Teeter" plan for the first time in 1993-94 will reduce the 1993-94 tax shift by the increased 1% property taxes allocated to each qualifying school entity, including the ERAF fund, that is a direct result of implementing Revenue and Taxation Code Section 4701 et seq. A "qualifying school entity" means any school district, county office of education or community college district that is not a basic aid school district.

The credit to offset the county's shift to ERAF is defined in Section 97.3 (a)(5) as being equal to, "the amount of **any** increased revenue allocated to each qualifying school entity that would not have been allocated for the 1993-94 fiscal year but for the implementation of that alternative procedure." This credit is equal to the sum of the following: 1) 95% Redemption buyout (1% portion of secured and supplemental), **Plus** 2) 100% of the 1993-94 year-end delinquency buy out (1% portion of current secured and supplemental rolls which are increasing the redemption receivable), **Minus** 3) actual 1993-94 Redemption collections including penalties and interest that the schools would have received without the implementation of Teeter through June 30, 1994.

Those counties deciding to adopt into the "Teeter" plan after the 93-94 fiscal year are also entitled to the "Teeter Credit" pursuant to R & T Code 97.36.

Note: SB742 was represented by members of our association as having no adverse financial impact on the State General Fund. The credit to each county was to be equivalent to the excess amount that schools received due to the **total** Teeter buyout which reduced the amount paid by the State to "backfill" schools.

Increased revenue to school districts that are **not** included in the credit calculation are 1) basic aid school district revenue and 2) debt service or special assessment revenue. The inclusion of this revenue would adversely affect the State General Fund.

Model A
HEWEGA COUNTY 1993-94
TAX SHIFT TO ERAF 92-93 CARRY FORWARD AND ADDITIONAL 93-94 SHIFT

	A	B	C	D	E	F	G	H	I	J	K	L
	92-93	93-94	93-94	92-93 ERAF ADJUST		93-94 ERAF Adjustments			93-94	93-94	Less 93-94	93-94
	AB8	Percent	AB8	Adj 4 92-93	Adj 4 93-94	93-94	93-94	93-94	Adj AB8	Adj AB8	Est RDA	Net Prop
	Allocation	Growth	Allocation	Growth	Growth	ERAF Amt	Per Capita	Adj4 Growth in 93-94	Allocation	Allocation Factors	Tax Increment	Amount
NOTE: Retroactive adjustment per AB2371 may be made to amounts either in COL C or COL I												
Hewega County G/F	45,000,000	104.50%	47,025,000	(3,750,000)	(3,918,750)	(12,300,000)	(223,000)	(13,068,535)	30,019,715	0.3656159	(590,000)	29,429,715
Hewega Co Fire Prot Dist	820,900	106.00%	870,154	(88,800)	(72,928)	(64,420)		(68,285)	728,941	0.0088779	(53,000)	675,941
Knowbooklezz Co Library	922,600	103.00%	950,278	(85,500)	(88,065)	0			862,213	0.0105011	(36,000)	826,213
NoH20hoz Fire District	1,010,800	102.50%	1,036,070			60,000		61,500	1,097,570	0.0133675	(23,000)	1,074,570
Ullteumweevum Fire Dist	6,630,000	104.75%	6,944,925	(850,000)	(890,375)	47,400		49,652	6,104,202	0.0743443	(100,000)	6,004,202
Phunandgaims Rec & Park Dist	5,808,000	105.50%	6,127,440	(832,500)	(878,288)	0			5,249,153	0.0639305		5,249,153
Weeklum Pest Abate Dist	257,500	104.50%	269,088	(25,300)	(26,439)	(88,518)		(92,501)	150,148	0.0018289		150,148
Yugottago Sanitation Dist	788,000	101.50%	799,820	0		(159,430)		(161,821)	637,999	0.0077703		637,999
City of Maulsgalar	12,000,000	106.00%	12,720,000	(1,046,400)	(1,109,184)	(1,700,000)	(66,000)	(1,871,960)	9,738,856	0.1188114	(395,000)	9,343,856
City of Yudantcomen (NO/LOV	1,250,000	107.50%	1,343,750	(104,900)	(112,768)	0	(33,000)	(35,475)	1,195,508	0.0145803	(91,000)	1,104,508
Yukantoomen Light Dist	143,200	107.50%	153,940	0		(13,898)		(14,940)	139,000	0.0016929	(13,000)	126,000
Yukantoomen Sanitation	3,597,000	107.50%	3,866,775	0		(280,817)		(301,879)	3,586,896	0.0434177	(270,000)	3,294,896
Yukantoonenanyoos Library	0	107.50%										
				(6,783,400)	(7,096,797)	(14,499,683)	(322,000)	15,522,245	22,619,040	0.2754817		
	78,228,000		82,107,240						82,107,240	100.00%		

A This is the AB8 allocated amount to any adjustments for ERAF, RDA ATI, or SDAFFY.

B The percent change is the growth from 92-93 to 93-94 net redevelopment tax increment amounts for each year.

C Total AB8 allocated amounts for 93-94 adjusted for growth and jurisdictional changes prior to ERAF, RDA.

D 92-93 amounts shifted to ERAF including 92-93 growth adjustment from each local district. NOTE amounts for county and cities exclude the 92-93 per capita shift and its growth.

E This is the 92-93 ERAF amount adjusted for 93-94 growth.

F This is the amount reported to each county auditor by the State Department of Finance in its letter dated July 9, 1993 and the amounts computed for each special district.

G This is the 93-94 per capita shift per Setion 97.02 based on \$0.80 for the County and \$1.02 for each city. NOTE the NO/LOW city is subject to the per capita shift only.

H Includes both the per capita amount and base shift amounts, ie, Col F puls Col G multiplied by the growth factor in Col B.

I This was computed by adding Col C, Col E and Col H.

J Approtationment factors to be used during 93-94 fiscal year.

K The estrimated 93-94 redevelopment tax increment for each district is based on the 92-93 amount plue growth for 93-94.

L This column is for reference only for comparison purposes to the 92-93 net property tax amounts. - 4 -

1992, 1995, and 1996 LEGISLATIVE SESSIONS

SB1683, SB657, and AB1668

**CALCULATION OF INTEREST
ON TAX REFUNDS**

**UNIFORM GUIDELINES
FOR
CALIFORNIA COUNTIES**

Prepared by the

County Accounting Standards and Procedures Committee

Revised: *June 2010*

Guideline 5 (a)

GUIDELINES

CALCULATION OF INTEREST ON TAX REFUNDS I.

Introduction

Since July 11, 1980, interest payable under Revenue and Taxation Code 5151 has been calculated at 9 percent per annum and has remained unchanged until the enactment of SB1683 (effective January 1, 1993).

Generally, this section provides that interest shall be paid on any tax refunds necessary pursuant to R & T Code Section 5096.7. In addition, interest is payable resulting from re-assessments originating from the Board of Equalization, court orders, or as a consequence of Assessor's error.

The reason for the amendment is to give recognition to the fact that periodic interest earnings by a county is determined by financial investment conditions during a given period. It is inequitable to utilize a fixed interest rate on tax refunds that does not have a reasonable relationship to current investment yields of a County Treasurer.

Resulting from this inequity, the legislature amended Revenue and Taxation Code Section 5151 by implementing SB1683 which provides that interest at the county pool apportion rate shall be paid when interest is ten dollars or greater.

R & T Code section 5151 was further amended by SB657 (effective January 1, 1996) and AB1668 (effective January 1, 1997) by the following provisions:

- 1) That the minimum rate of interest to be used in the calculation shall be no less than 3%.
- 2) That the interest rate to be used shall be applied to any refunds of tax to a taxpayer for any reason whatsoever (except as noted in part III).
- 3) Interest on refunds of those amounts of tax that became due and payable before March 1, 1993, and have not been refunded as of April 6, 1995, shall be paid at the rate of 9% per annum. Refunds of property taxes that became due and payable before March 1, 1993 and have been refunded as of April 6, 1995 will not be affected.
- 4) Since SB657 was not an urgency bill it takes effect on January 1, 1996. However, Section 19 of the bill states that it is "declaratory of existing law". Presumably this was an attempt to utilize the changed wording of law to apply to refunds that are in process prior to December 31, 1995. Because the "declaratory" nature of this bill is controversial, County Auditors are advised to seek advice from their County Counsel if there are issues surrounding the applicability of Section 19.
- 5) AB1668 requires the county treasurer to advise the Controller of the county pool apportioned rate and computations made in deriving that rate no later than 60 days after the end of the fiscal year.

- 6) AB1668 defines when the interest period shall commence in the determination of amounts payable to taxpayers relative to property tax refunds.

II. Definitions and Interpretations

"County Pooled Apportioned Rate"

The County pooled apportioned rate is the annualized rate of interest earned on the total amount of pooled idle funds from all accounts held by the County Treasurer, in excess of the County Treasurer's administrative costs with respect to that amount, as of June 30 of the preceding fiscal year for which the refund is calculated.

"Fiscal Year Refund is Calculated"

The fiscal year *in* which the refund is calculated.

Example -Single or multi year revision:

If on November 15, 20XX, the County Auditor issues a refund for the current year or any prior year(s) assessment roll, the interest rate should be based on the treasurer's annualized interest rate as of June 30, *preceding* the date the refund is calculated by the auditor. This single rate should be used in calculating total interest payable. All other procedures of calculation (R & T Code Section 5151 (c)(1),(2),(3), and (4) remain unchanged.

"Tax Refund Due and Payable":

Key in establishing if the tax refund is subject to the 9% interest rate, is to define when the tax payment refund was due and payable. The committee has determined that interest on a tax refund is due and payable upon any of the following events. In the instance where the circumstances surrounding the refund involve more than one of the following items, the date of the earliest event should be used:

- The date that a claim for refund of taxes is received from the taxpayer.
- The data of determination of value by an Assessment Appeals Board.
- Absent a stipulated judgment (agreement) to the contrary, the date of the court judgment will be when the tax refund claim is due and payable.
- 90 days from the date a negative supplemental assessment was enrolled and not paid (See R & T Code 75.43).
- The date of the recording of the deed to the public agency acquiring the property in eminent domain to the date of the filing of the claim for refund.

III. Interest Rate "Calculation Procedures"

Interest should be calculated on the basis of a 365-day calendar year, using the "simple interest" computation procedure. Contact the county Treasurer to determine the "annualized" rate of interest for each year.

Pursuant to R & T Code section 5151 (c)(1) (effective January 1, 1997), the interest computation period shall commence with the date of payment of the tax when any of the following apply:

- A timely application for reduction in assessment was filed.
- Refund is pursuant to a roll correction resulting from the assessor or assessment appeals board.
- Refund is pursuant from a correction pursuant to Section 4831 or 4876.

In the following cases, the computation period shall be:

- Interest on refunds resulting on property acquired by public agencies in eminent domain proceedings shall accrue from the date of recordation of the deed.
- In all other cases, the interest computation period shall commence on the date of filing for refund or payment of the tax, whichever is later.

The computation of interest shall terminate as of a date within 30 days of the date of mailing or personal delivery of the refund payment.

When calculating interest on negative supplemental assessments, see Revenue and Taxation Code Section 75.43. On duplicate tax or overpayments, see R & T Code Section 2782. On escape assessments, see R & T Code section 506.

While R. & T. Section 5151 does not specify the interest refund computations necessary as a result of Proposition 8 or assessee errors approved by the County Assessor, the committee has determined that interest will commence from the day following the filing of a claim for refund and the interest period shall terminate as stated above.

PROP 218

GUIDELINES FOR

PLACING FLAT FEES

ON THE SECURED ROLL

Prepared by

CALIFORNIA STATE ASSOCIATION OF

COUNTY AUDITORS

APRIL 1997

Note: The term “direct charge” may have been changed from the original guideline to conform to the CALSACA current day standardized terminology.

INTRODUCTION

With the passage of Proposition 218 in November 1996, many questions arose regarding the validity of the direct charges placed on the secured roll and the County Auditor's responsibility regarding those charges. In response to those questions, the Association's Legislative Committee created a sub-committee of the Auditors from Alameda, Marin, Napa and Sonoma to develop these guidelines. They were adopted at the April 1997 Auditor's Annual Conference.

The association believes the Auditor's responsibilities, regarding direct charges placed on the property tax bills, are only administrative. It is not our legal responsibility to determine whether the fees or increases to fees comply with the provisions of Proposition 218. This position is consistent with County Auditors' practices prior to Proposition 218.

As with previous guidelines developed to implement other provisions of law, the objectives of these guidelines are: (1) develop a reasonable document counties may rely upon as an acceptable standard to follow in complying with Proposition 218, (2) promoting uniformity in the implementation of the statutes and (3) provide an explanation of the decisions, standards, and documents developed for these guidelines.

The Association wishes to express its sincere appreciation to all those involved in the development and approval of these guidelines.

INTERPRETATIONS AND DECISIONS

As stated above, the association believes the Auditor's responsibilities are only administrative when we include the direct charges on the property tax bill. In our opinion, it is the responsibility of the local jurisdiction, for which the direct charge is placed on the property tax bill to insure compliance with Proposition 218. The proposition does not specify nor does it imply any County Auditor responsibility for determining each direct charges' compliance. Historically, County Auditors have relied on the local jurisdictions to insure compliance with statutes prior to placing the direct charge on the property tax bill.

However, it is the opinion of this association, each County Auditor should consider adopting the following policies to clarify and document each party's responsibility, in case a direct charge is questioned and/or litigated:

- The County Auditor should require written agreements with the local jurisdictions specifying responsibilities and hold harmless provision.
- An annual compliance certification be signed by the appropriate official should be required.
- All documents should be submitted prior to placing the direct charge on the property tax bill.

After reading the above policies and the attached agreement, you may wonder why an annual certification would be recommended. The proposition requires a compliance process for both new fees and for increases in fees. The association believes the annual certification

will again document the need for each jurisdiction's responsibility to insure on-going compliance.

RECOMMENDATIONS AND EXAMPLE DOCUMENTS

In order to assist you in implementing the above policies, the association has developed example documents you may want to use when designing your agreements and annual certification. We would recommend seeking your County Counsel's assistance prior to sending these documents to the local jurisdictions.

Agreement for Collection of Special Taxes, Fees and Assessment – Example #1

This document is intended to specify each party's responsibilities regarding the collection of special taxes, fees, and assessment. Paragraph 4, 5, 6, & 7 specifically address each party's responsibilities in regards to Proposition 218. Again, you may wish to discuss the agreement wording with your County Counsel.

Annual Certification and Cover Letter – Example #2

As stated before, Proposition 218 requires a voter approval process for both new and increases to fees. This form will allow the Auditor to rely on the local jurisdiction for determining Proposition 218 compliance.

AGREEMENT FOR COLLECTION OF SPECIAL
TAXES, FEES, AND ASSESSMENTS

THIS AGREEMENT is made and entered into this _____ day of _____, 19____, by and between the COUNTY OF SONOMA, a political subdivision of the State of California, hereinafter referred to as "County" and the _____, a municipal corporation of the State of California, hereinafter referred to as "District".

WITNESSETH:

WHEREAS, Government Code Sections 29304 and 51800 authorize the County to recoup its collection costs when the County collects taxes, fees, or assessments for any School District, Special District, zone or improvement District thereof; and

WHEREAS, when requested by District, it is in the public interest that the County collect on the County tax rolls the special taxes, fees, and assessments for District.

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. County agrees, when requested by District as hereinafter provided, or as required by law, to collect on the County tax rolls the special taxes, fees, and assessments of District, and of each zone or improvement District thereof.
2. When County is to collect District's special taxes, fees, and assessments, District agrees to notify the Auditor-Controller of the County on or before the 10th day of August of each fiscal year of the Assessor's parcel numbers and the amount of each special tax, fee, or assessment to County, and including, but not limited to, any act of omission or assessment to be so collected. Provided, however, to be effective, the notice must be received by the Auditor-Controller by said date.
3. County may charge the sum of 1% of the Original Charge for each special tax, fee, or assessment that is to be collected on the County tax rolls by the County for the District.
4. District warrants that the taxes, fees, or assessments imposed by District and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIIC and XIID of the California Constitution (Proposition 218). District has requested, on County's behalf, an opinion from their legal advisor stating that the tax, fee, or assessment complies with state law, and specifically analyzing compliance with Proposition 218. Said opinion is attached hereto as "Exhibit A" and incorporated by reference into this Agreement.
5. District hereby releases and forever discharges County and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of district's responsibility under this agreement, or other action taken by District in establishing a

special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement.

6. District agrees to and shall defend, indemnify and save harmless County and its officers, agents and employees ("indemnified parties") from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of any of District's responsibility under this agreement, or other action taken by District in establishing a special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement. If any judgment is entered against any indemnified party as a result of action taken to implement this Agreement, District agrees that County may offset the amount of any judgment paid by County or by any indemnified party from any monies collected by County on District's behalf, including property taxes, special taxes, fees, or assessments. County may, but is not required to, notify district of its intent to implement any offset authorized by this paragraph.
7. District agrees that its officers, agents and employees will cooperate with County by answering inquiries made to District by any person concerning District's special tax, fee, or assessment, and District agrees that its officers, agents and employees will not refer such individuals making inquiries to County officers or employees for response.
8. District shall not assign or transfer this agreement or any interest herein and any such assignment or transfer or attempted assignment or transfer of this agreement or any interest herein by district shall be void and shall immediately and automatically terminate this agreement.
9. This agreement shall be effective for the 19__ fiscal year and shall be automatically renewed for each fiscal year thereafter unless terminated as hereinafter provided.
10. Either party may terminate this agreement for any reason for any ensuing fiscal year by giving written notice thereof to the other party prior to May 1st of the preceding fiscal year.
11. County's waiver of breach of any one term, covenant, or other provision of this agreement, is not a waive of breach of any other term, nor subsequent breach of the term or provision waived.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

District: _____

By: _____

SONOMA COUNTY AUDITOR-CONTROLLER _____

CERTIFICATION OF ASSESSMENT

The (AGENCY/DISTRICT) hereby certifies that the special assessment(s) (see below) to be placed on the 19xx/xx Secured Property Tax bill by the (AGENCY/DISTRICT) meets the requirements of Proposition 218 that added Articles XIIC and XIID to the State Constitution.

The (AGENCY/DISTRICT) agrees to defend, indemnify and hold harmless the County of Alameda, the Board of Supervisors, the Auditor-Controller/Clerk-Recorder, its officers and employees, from litigation over whether the requirements of Proposition 218 were met with respect to such assessment(s).

If any judgment is entered against any indemnified party as a result of not meeting the requirements of Proposition 218 for such assessment(s), the (AGENCY/DISTRICT) agrees that County may offset the amount of any judgment paid by an indemnified party from any monies collected by County on (AGENCY/DISTRICT'S) behalf, including property taxes, special taxes, fees, or assessments.

CITY COUNSEL/BOARD OF DIRECTORS/SCHOOL BOARD

1996/97 Special Assessments and/or Direct Charges

April , 1997

(AGENCY/DISTRICT)

ATTN: Finance Director/Business Manager

PROPOSITION 218 CERTIFICATION

Proposition 218 added Articles XIIC and XIID to the Constitution which significantly altered local government and special district finance in California. This proposition introduced new requirements and constraints on the ability to impose taxes, property related fees and charges, and assessments for the financing of public facilities and services.

The County is under an agreement to collect various assessments and/or fees on behalf of the (AGENCY/DISTRICT) on the secured property tax roll. It is my concern that any future collection of assessments and fees effective with the 1997-98 fiscal year tax roll meet all the requirements of Proposition 218.

To assure that all requirements are met, I am requiring that each agency or district sign a certification statement (see attached for your agency or district). On this certification I have listed your 1996/97 assessments and fees. You will need to update for 1997/98 F/Y for any new or deleted assessment and fees.

The certification statement should be submitted along with your annual delivery of assessments and fees data to our office no later than August 15, 1997. It is important to note that no assessment of fee will be collected on the County's Tax Roll without this certification.

In the past, the taxpayers had the burden of proof to show that an assessment or fee is not legal. Proposition 218 has shifted that burden of proof to the local government. Hereafter, "burden of proof" of any legal action contesting the validity of any assessment or fees will be on the (AGENCY/DISTRICT).

If you have any questions, please call our Tax Analyst, Thomas Lum at (510) 272-6557.

Sincerely,

PATRICK O'CONNELL
Auditor-Controller
Alameda County

1993 and 1996 LEGISLATIVE SESSIONS

SB509 AND AB1191

ALLOCATION OF PUBLIC SAFETY

SALES TAX REVENUE

UNIFORM GUIDELINES

FOR

CALIFORNIA COUNTIES

Prepared by the
County Accounting Standards and Procedures Committee

Revised October 1996

For the 1995-96 Fiscal Year

For the 1995-96 fiscal year only, that amount shall be increased or decreased in accordance with the difference between: (i) the actual amount allocated to the local agency from the PSAF for 1994-95 and (ii) the estimated allocation for 1994-953

For 1996-97 Fiscal Year and Thereafter

For the 1996-97 fiscal year and each fiscal year thereafter, that amount shall be increased or decreased in accordance with the positive or negative difference between: (i) the amount allocated to the local agency from the Public Safety Augmentation Fund in the immediately preceding fiscal year, and (ii) the corresponding amount allocated to the local agency in the next preceding fiscal year. In no event shall the base amount for a local agency be less than the amount of funding for all combined public safety services, as defined, within the jurisdiction of that local agency for the 1992-93 base year.

The reconciliation amount payable to cities pursuant to Government Code Section 30055 shall apply to the fiscal year in which the installment has been recorded by the local agency.

Non-Compliance Penalty

AB2788 requires that the amount of revenues allocated to a city or county from the Public Safety Augmentation Funds (PSAF) in any fiscal year be reduced within that fiscal year if the amount of funding for combined public safety services is less than the 1992-93 base amount for that local agency as adjusted. The reduction shall be the difference between the amount funded and the adjusted base requirement only, not the entire Proposition 172 allocation for that year.

A PSAF reduction from a county shall be allocated to the cities in the county in accordance with each city's proportionate share of the total fiscal year PSAF allocations received by the cities. Amounts reduced from a city shall be allocated to the county.

A PSAF reduction of one entity and increases to others due to the penalty clause does not affect the maintenance of effort calculations for subsequent fiscal year.

Local agencies should be aware that the growth/reduction in revenue from the PSAF will increase/decrease the base amount in the next fiscal year.

In the event that a local agency receives more PSAF monies than estimated in any fiscal year, the local agency may want to give consideration to designating the amount in excess of the MOE requirement to provide funds to finance the MOE requirement during the next fiscal year.

GUIDELINES

ALLOCATION OF PUBLIC SAFETY SALES TAX REVENUES

BACKGROUND

During the 1993-94 State budget process, the State Legislature and Governor for the second time found it necessary to shift local property tax revenues from local agencies to K-12 schools and community colleges in order to balance the State Budget. The voters partially offset these losses by approving Proposition 172, a ½ cent state sales tax to fund local public safety services.

SB509 (Chapter 73, Statutes of 1993) specified that each county establish a public safety augmentation fund for the receipt of their share of the ½ cent sales tax revenue and specified the allocation formula to be used for the apportionment to cities and counties.

Specifically, SB509 required the county auditor to determine an allocation factor for each city and the county in direct proportion to the amount of the property taxes shifted to the educational revenue augmentation fund (ERAF) per revenue and taxation code Section 97.3 less the "VLF backfill" received per revenue and taxation code Section 11005.4. The cities' share was to be limited to 50 percent of the net computed loss. The key components of the model illustrated in the original guidelines was the inclusion and calculations using the estimated sales tax amount and resulting adjustments in order to immediately distribute the sales tax revenue.

PROCEDURES

AB1191 (Chapter 876, Statutes of 1996) changed the provisions relative to the allocation of Proposition 172 public sales tax revenue between cities and counties. These changed provisions are illustrated in the attached model. The allocation factors depicted in Column (E) will be used to distribute the public safety sales tax revenues. The cities are not subject to a permanent capped dollar amount. Actual VLF revenues received per revenue and taxation code Section 11005.4 for 1993-94 should be used in column (B).

Special provisions apply to the counties of Alameda, Fresno, Kings, Merced, San Bernardino, San Diego, San Joaquin, Solano and Yolo.

AB1191 is effective January 1, 1997. County auditors should use the revised allocation formula beginning with the January 1997 apportionment and make the necessary adjustments to include all of the public safety sales tax monthly allocations recorded as revenue to the 1996-97 fiscal year. The previous allocation guidelines used for fiscal years 1993-94 through 1995-96 remain valid and no adjustments to revenue recognized for those years are necessary.

AB1191 also requires the county auditor to apportion to cities their monthly share no later than the 20th day of the following month.

**CALCULATION OF SALES TAX ALLOCAITON FACTORS PER AB1191
for distribution of the Public Safety Augmentation Fund**

Agency	(A) 1993-94 Tax Shift Per Sec 97.3	(B) City/County VLF Share Sec 11005.4	(C) City/County Net Revenue Loss	(D) City 50% Limitation of Net Loss	(E) Sales Tax Allocation Factors
City of Carmel	16,142	(6,120)	10,022	5,011	0.0002826
City of Del Rey Oaks	18,000	(5,850)	12,150	6,075	0.0003426
City of Gonzales	78,376	(24,930)	53,446	26,723	0.0015071
City of Greenfield	50,170	(17,370)	32,800	16,400	0.0009249
King City	102,888	(33,120)	69,768	34,884	0.0019674
City of Marina	114,997	(43,110)	71,887	35,944	0.0020272
City of Monterey	363,619	(117,540)	246,079	123,040	0.0069392
City of Pacific Grove	160,849	(52,740)	108,109	54,055	0.0030486
City of Salinas	673,896	(234,180)	439,716	219,858	0.0123996
Sand City	488	(180)	308	154	0.0000087
City of Seaside	160,479	(59,400)	101,079	50,540	0.0028503
City of Soledad	61,679	(22,590)	39,089	19,545	0.0011023
Total Cities	1,801,583	(617,130)	1,184,453	592,227	0.0334005
County	16,899,235	(352,640)	16,546,595	17,138,822	0.9665995
Grand Total	18,700,818	(969,770)	17,731,048	17,731,048	1.0000000

(A) Section 97.3 amount computed and reported by the State Department of Finance, dated July 9, 1993.

(B) Vehicle License fee revenues as reported by the State Controller, Division of Accounting. (See appendix)

(C) Column (A) less Column (B).

(D) Each City is allowed 50 percent of the amount listed in Column (C). The difference is credited to the County.

(E) The allocation factors were computed by dividing each amount in Column (D) by the column total.

1993, 1996 AND 1997 LEGISLATIVE SESSIONS

SB509, AB1191, AB334 AND AB339

ALLOCATION OF PUBLIC SAFETY

SALES TAX REVENUE

UNIFORM GUIDELINES

FOR

CALIFORNIA COUNTIES

PREPARED BY THE

**COUNTY ACCOUNTING STANDARD
AND PROCEDURES COMMITTEE**

Revised October 1997

GUIDELINES

ALLOCATION OF PUBLIC SAFETY SALES TAX REVENUES

BACKGROUND

During the 1993-94 state budget process, the state legislature and governor for the second time found it necessary to shift local property tax revenues from local agencies to K-12 schools and community colleges in order to balance the state budget. The voters partially offset these losses by approving proposition 172, a 1/2 cent state sales tax to fund local public safety services.

SB509 (Chapter 73, Statutes of 1993) specified that each county establish a public safety augmentation fund for the receipt of their share of the 1/2 cent sales tax revenue and specified the allocation formula to be used for the apportionment to cities and counties.

Specifically, SB509 required the county auditor to determine an allocation factor for each city and the county in direct proportion to the amount of the property taxes shifted to the educational revenue augmentation fund (ERAF) per revenue and taxation code section 97.3 less the "VLF backfill" received per revenue and taxation code section 11005.4. The cities' share was to be limited to 50 percent of the net computed loss. The key components of the model illustrated in the original guidelines was the inclusion and calculations using the **estimated sales tax** amount and resulting adjustments in order to immediately distribute the sales tax revenue.

AB1191 (Chapter 876, statutes of 1996) changed the provisions relative to the allocation of proposition 172 public sales tax revenue between cities and counties for the 1996-97 fiscal year. AB1191 was a cities' sponsored bill to clarify that allocations to cities be adjusted for any increase or decrease in proposition 172 revenues. Cities also wanted a monthly deadline in statute of when auditors must distribute money from the public safety augmentation fund. AB1191 changes resulted in the elimination of the estimated sales tax component to the allocation formula and a reduction to the cities' total distribution of proposition 172 revenues.

Procedures

AB334 (Chapter 217, statutes of 1997) and AB339 (Chapter 166, statutes of 1997), reinstates the use of the SB509 allocation factors for the 1997-98 fiscal year and thereafter. It also provides for an allocation to cities of a reconciliation amount representing the difference between the total actual distributions using the AB1191 allocation factors for 1996-97 and what would have been allocated for that fiscal year had the SB509 allocation factors been applied. The reconciliation amount shall be added to each city's allocation in 36 equal and consecutive monthly installments with no interest beginning September 1, 1997. If directed by the Board of Supervisors, the auditor may expedite payment of the installments.

Special provisions apply to the counties of Alameda, Fresno, Kings, Los Angeles, Merced, San Bernardino, San Diego, San Joaquin, Solano and Yolo.

Government Code Section 30053 requires the county auditor to apportion to cities their monthly share no later than the 20th day of the following month.

**CALCULATION OF SALES TAX ALLOCATION FACTORS PER AB334 & AB339
for distribution of the Public Safety Augmentation Fund**

	(A)	(B)	(C)	(D)	(E)	(F)
	FY 1995-96	FY 1995-96			Reconciliation	
	Allocations	Allocations	FY 1996-97	Allocations @	Amounts Difference	Monthly
Agency	Amount	Factor	Allocations	FY96 Factors	Due Cities	Installments
City of Carmel	5,448.02	0.032324	5,648.22	5,765.48	117.26	3.26
City of Del Rey Oaks	6,604.92	0.039188	6,110.81	6,989.78	878.97	24.42
City of Gonzales	29,053.69	0.172380	26,881.42	30,746.61	3,865.19	107.37
City of Greenfield	17,830.32	0.105790	16,496.99	18,869.27	2,372.28	65.90
King City	37,926.52	0.225024	35,091.59	40,136.48	5,044.89	140.14
City of Marina	39,079.04	0.231862	36,158.22	41,356.14	5,197.92	144.39
City of Monterey	133,771.36	0.793686	123,771.26	141,566.05	17,794.79	494.30
City of Pacific Grove	58,768.58	0.348683	54,376.45	62,192.95	7,816.50	217.13
City of Salinas	239,033.75	1.418224	221,165.84	252,961.97	31,796.13	883.23
Sand City	167.35	0.000993	155.19	177.12	21.93	0.61
City of Seaside	54,947.01	0.326009	50,839.49	58,148.70	7,309.21	203.03
City of Soledad	21,249.57	0.126077	19,661.20	22,487.76	2,826.56	78.52
Total Cities	643,880.13	3.820240	596,356.68	<u>681,398.30</u>	<u>85,041.62</u>	<u>2,362.27</u>
County	<u>16,210,561.88</u>	<u>96.179760</u>	<u>17,240,174.52</u>		Fiscal Year Total	<u>28,347.21</u>
Grand Total	<u>16,854,442.01</u>	<u>100.000000</u>	<u>17,836,531.20</u>			

(A) Total actual distributions using SB509 factors through August 1996 (information only).

(B) SB509 original factors.

(C) Total actual distributions using AB1191 factors through August 1997.

(D) Reallocate totals from (C) using SB509 original factors (B).

(E) Compute difference between (C) and (D).

(F) Effective September 1, 1997 begin using allocation factors pursuant to SB509 (B) and return to each city the amount in (E).

Pursuant to Government Code Section 30055 this amount shall be added to each city's allocation in 36 equal and consecutive monthly installments with no interest.

PUBLIC SAFETY SERVICES
MAINTENANCE OF EFFORT REQUIREMENT
UNIFORM GUIDELINES
FOR
CALIFORNIA COUNTIES
AND CITIES

Prepared by
COUNTY ACCOUNTING STANDARDS AND PROCEDURES COMMITTEE

Revised: OCTOBER 1997

Guideline 8 (a)

FORWARD

These guidelines were developed, with input from the Office of Willie L. Brown, Jr., Speaker of the Assembly, California State Association of Counties, League of California Cities, California Department of Finance, and by a subcommittee of the County Accounting Standards and Procedures Committee which is chaired by the State Controller's Office. In turn, these guidelines were reviewed and approved by the County Accounting Standards and Procedure Committee. In preparation of these guidelines, every effort has been made to offer the most current, correct and clearly expressed information possible. The purpose of the guidelines is to provide guidance on matters relative to the 1994 Legislative Session Assembly Bill 2788.

You may have questions/issues/interpretations that either we have not anticipated or adequately addressed as part of these guidelines. If so, you may wish to seek the advice of your County Counsel or City Attorney.

The State Association of County Auditors and the County Accounting Standards and Procedures Committee wish to thank all those who participated in the completion of these guidelines.

The County and City participants were:

Arrow, Richard
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Smith, Judi
McIntyre, Carolyn
Wall, Dan

Marin County
Contra Costa County
Sonoma County
Siskiyou County
San Francisco County
Los Angeles County
Mono County
Sacramento County
League of California Cities
California State Association of Counties
California State Association of Counties

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INTRODUCTION

During the 1994 legislative session, AB 2788 was enacted into statute. It requires that a "Maintenance of Effort" threshold be met in order to utilize Proposition 172 Funds (Public Safety Sales Tax). This ½ cent sales tax was authorized in 1994 as a result of the 1993-94 state budget. Proposition 172/SB 509 designated the ½ cent sales tax be deposited to newly created state and local public safety trust funds and allocated to local agencies to fund public safety activities such as police, sheriff, fire, district attorney, county corrections and ocean lifeguards. Specifically, court operations were excluded.

Due to general perception in the law enforcement and legislative communities that these public safety funds were supplanting local revenues that would have otherwise accrued to the public safety functions, AB 2788 was passed. It requires that a minimum commitment of local resources be allocated to public safety services. The bill establishes the 1992-93 approved budget as the base year, with a number of exclusions, which are explained in these guidelines. To receive full allocation of Proposition 172 revenues, the minimum funding level for public safety functions in the 1994-95 and subsequent years must equal the 1992-93 base year as adjusted by annual increases (or decreases) in the Proposition 172 sales tax allocated to the entity. In no event shall an entity's minimum funding level of public safety activities fall below the 1992-93 base year.

For those local agencies that do not meet their maintenance of effort requirement, AB 2788 provides sanctions (with exceptions) that result in the loss of public safety sales tax to the extent that the maintenance of effort is not met.

DEFINITIONS AND INTERPRETATIONS

The following definitions and interpretations have been made using information obtained directly from Assembly Bill 2788 and discussions with various persons associated with the bill as it progressed through the legislative process, including staff from the office of the bill's author.

Public Safety Services

Government Code Section 30052(b)(1) defines public safety services to include, but not be limited to sheriffs, police, fire protection, county district attorneys, and county corrections. Additionally, AB 1519 added ocean lifeguards to the definition. Public safety services does not include courts. Likewise, marshal and sheriffs court services are not considered public safety services.

The county, city and county or city governing body determines which public safety services departments in their jurisdiction will be defined as public safety services for purposes of the MOE calculations. This decision once made for the MOE requirement cannot be changed except as provided for in the Errors and Omissions section below.

The definition is important as it determines the base year and subsequent years' calculation of the "amount of funding" for public safety services, and therefore whether or not a city or county has met its maintenance of effort (MOE) requirement.

Adopted Budget

For counties the adopted budget means the budget submitted to the State in November of each new fiscal year pursuant to Government Code Section 29093. The adopted budget is used to determine the amount of combined public safety service funding within a local jurisdiction each fiscal year.

For cities the adopted budget means the budget adopted by the governing body at the end of the city's normal budget cycle, but no later than November 1.

The adopted budget is not what is commonly referred to as the "adjusted budget", i.e., the budget at the end of the fiscal year that includes all approved budget adjustments.

Base Year

Base year means, for each county, city and county, or city, the Local Financial Resources less exclusions in the 1992-93 fiscal year.

Local Financial Resources

Local financial resources means local general fund appropriations for public safety related operational expenses (using the jurisdiction's definitions of public safety services) and allocations from the Public Safety Augmentation Fund (using the accrual basis of accounting), less the exclusions listed below. An exclusion category only applies if it is related to a department(s) defined as public safety services by the governing body of the county, city and county, or city.

For each exclusion category, only those amounts that were appropriated for public safety services in the respective fiscal year's adopted budget are excludable. This is true whether the fiscal year is the base year or subsequent year.

Appropriations funded by the following budgeted revenues must be excluded. Unless revenues or appropriations are specifically listed below, they are not excludable.

1. Budgeted grant funds from any source. Standards and Training for Corrections and POST grants have been defined as grants under this exclusions, Title IV-A and Title IV-E have not.
2. Revenues budgeted by a county or city and county for the child support-related activities of the district attorney performed pursuant to Part D Subchapter 4 of the Social Security Act (42 U.S.C. 301 et seq.).
3. Revenues budgeted by a county, city and county, or city, including any charter city for asset forfeitures.
4. Revenues budgeted including revenues from capital leases by a county, city and county, or city including any charter city, for capital outlay expenditures which include any debt service payments or fixed asset purchases.
5. Revenues budgeted for providing public safety services under contract to another jurisdiction.
6. Revenues budgeted in the current fiscal year as a result of a change of organization or reorganization that became effective pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (Part I commencing with Section 56000) of Division 3 of Title 5) subsequent to the base year.
7. Revenues budgeted by a county or city and county pursuant to Chapter 3 (commencing with Section 15200) of Part 6 of Division 3 of Title 2, or any other reimbursement by the state for homicide trial costs, including, but not limited to, Chapter 1649 of the Statutes of 1990 and its successors.

8. Revenues budgeted from any source by a county, city and county, or city, including any charter city to respond to a state of emergency declared by the Governor pursuant to the California Emergency Services Act (Chapter 7(commencing with Section 8550) of Division 1 of Title 2).
9. Appropriations by a county, city and county, or city including any charter city, for one-time expenditures related to public safety services. One-time expenditures means material non-recurring expenditures.

Other appropriation or appropriation-related adjustments:

10. Appropriations by an entity that's both a city and county during the base year to fund retirement costs that are not attributable to any change in benefit levels.
11. Budgeted appropriations should be adjusted upwards for cost savings (e.g., actuarial savings, reduced costs for pension obligations due to the issuance of pension bonds, etc.) in appropriations for retirement and workers' compensation cost that do not result in a change in benefit levels. This exclusion applies to decreases in these costs for 1994-95 and subsequent years' adopted budgets.

Base Amount for That Local Agency

The Base Amount for That Local Agency means an amount, equal to the amount of the adopted budget for all combined public safety services (as defined by the jurisdiction) within a local agency's respective jurisdiction for the base year, that is adjusted as shown below.

For 1994-95 Fiscal Year Only

For the 1994-95 fiscal year only, that amount shall be increased or decreased in accordance with the positive or negative difference between: (i) the amount estimated to be allocated for the 1994-95 fiscal year to that local agency from the Public Safety Augmentation Fund, and (ii) the corresponding amount allocated to that local agency for the 1993-94 fiscal year.

The amount to be allocated to the local agency from the Public Safety Augmentation Fund for the 1994-95 fiscal year shall be estimated based on the allocations to that agency determined over the first six months of that fiscal year. The first six months estimate is to be calculated by taking into consideration both the accrued allocations of sales tax for the first six months and the historical pattern of sales tax receipts. The six month estimate thus determined is to be use to estimate the 1994-95 annual sales tax receipts for purposes of determining the Maintenance of Effort (MOE) requirement.

For the 1995-96 Fiscal Year

For the 1995-96 fiscal year only, that amount shall be increased or decreased in accordance with the difference between: (i) the actual amount allocated to the local agency from the PSAF for the 1994-95 and (ii) the estimated allocation for 1994-95.

For the 1996-97 Fiscal Year and Thereafter

For the 1996-97 fiscal year and each fiscal year thereafter, that amount shall be increased or decreased in accordance with the positive or negative difference between: (i) the amount allocated of the local agency from the Public Safety Augmentation Fund in the immediately preceding fiscal year, and (ii) the corresponding amount allocated to the local agency in the next preceding fiscal year. In no event shall the base amount for a local agency be less than the amount funding for all combined public safety services, as defined, within the jurisdiction of that local agency for the 1992-93 base year.

Non Compliance Penalty

AB 2788 requires that the amount of revenues allocated to a city or county from the Public Safety Augmentation Funds (PSAF) in any fiscal year be reduced within that fiscal year if the amount of funding for combined public safety services is less than the 1992-93 base amount for that local agency as adjusted. The reduction shall be the difference between the amount funded and the adjusted base requirement only, not the entire Proposition 172 allocation for that year.

A PSAF reduction from a county shall be allocated to the cities in the county in accordance with each city's proportionate share of the total fiscal year PSAF allocations received by the cities. Amounts reduced from a city shall be allocated to the county.

A PSAF reduction of one entity and increases to others due to the penalty clause does not affect the maintenance of effort calculations for subsequent fiscal years.

Local agencies should be aware that the growth/reduction in revenue from the PSAF will increase/decrease the base amount in the next fiscal year.

In the event that a local agency receives more PSAF monies than estimated in any fiscal year, the local agency may want to give consideration to designating the amount in excess of the MOE requirement to provide funds to finance the MOE requirement to provide funds to finance the MOE requirement during the next fiscal year when estimated PSAF revenues may not be realized.

Errors and Omissions

The public Safety services included by a city or county or a city and county in the base year shall be the same in subsequent years unless there was a material error or omission in the base year.

Any adjustments to the scope or amount of public safety services due to material errors or omissions in the base year shall be made in a consistent manner to both the base year and the year being calculated. However, such adjustments shall not affect any prior year distributions.

The retroactive prohibition in this section will discourage adjustments. If an agency met its MOE in prior years, it would not be affected by this provision. If it did not, it would not be appropriate to allow the agency to adjust its base year and thereby require an adjustment for all agencies which shared in the distribution of the agency's MOE deficiency. These agencies will have spent the deficiency money.

Also, it would not be reasonable to require county auditors to recalculate all prior years' distributions and make adjustments in the current period.

The provision that says once a change is made it is permanent will preclude agencies from manipulating the MOE calculation by continually changing the mix of public safety services.

This section will allow for a correction for a material error, but not a retroactive correction.

Maintenance of Effort (MOE) Calculations

For the methodologies used to determine the MOE requirement, please refer to the Certification Form and Calculation Worksheet in the Appendix, pages 8-12.

Consistent provisions should be applied to both the Base Year and the Certification Year calculations. For example, if an agency includes OMB Circular A-87 expenditures in the Certification Year, then a similar inclusion applicable to the 1992-93 Base Year should be applied.

Detailed MOE calculations for defined public safety services should be provided to those departments or the public upon request. Assistance from the Auditor-Controller/City Director of Finance (as appropriate) should be provided to all requesting public safety departments to assure complete understanding of the MOE calculations and the accounting of Proposition 172 revenues as related to the department's appropriations and expenditures. Recording Proposition 172 revenues at the departmental Level while optional is encouraged.

OTHER PROVISIONS

Jurisdictional Exemption

The MOE requirement does not apply to the following jurisdictions:

1. With respect to a specific fiscal year, any county, city and county, or city whose legislative body has entered into a binding agreement or Memorandum of Understanding with its local public safety entities, that relates to their specific share of the PSAF, prior to adoption of the budget for that fiscal year. The parties to the MOU will be those departments that the governing body defines as public safety.

Cities, a city and county, and counties should calculate the MOE requirement in accordance with the guidelines every year, even in years when they adopt a MOU. An MOU will take precedence in years when adopted by the governing body. The calculated MOE would be used in years when there was no MOU.

2. Any city that did not lose property tax revenue under Section 97.035 of the Revenue & Taxation Code.

Audit Authority

Officials of a county, city and county, or city including any charter city, shall when asked, provide the County Auditor the information needed to carry out the requirements of this legislation. The Auditor may, but is not required to, audit the information provided.

Charter Cities

This legislation is applicable to all cities, including charter cities.

Legislative Intent

It is the intent that all funds deposited in the PSAF be used for local public safety services. It is not the intent that local governmental entities use the base year level of funding established as a basis to reduce local public safety budgets.

Schedule of MOE Calculations

	<u>ESTIMATED</u>		<u>ACTUAL</u>						
	<u>92-93</u>	<u>93-94</u>	<u>94-95</u>	<u>94-95</u>	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>
GENERAL FUND APPROPRIATIONS FOR PUBLIC SAFETY SERVICES	800	750	750	750	750	750	750	750	750
PROPOSITION 172-PSAF ALLOCATIONS FUNDING AVAILABLE	N/A	50	75	80	100	125	125	25(F)	25
MINIMUM PUBLIC SAFETY SERVICES BUDGET REQUIRED BY MOE	800	800	825	830	850	875	875	775	775
			825		830	850	875	875	800
AMOUNT IN EXCESS (DEFICIT) OF MOE REQUIREMENT (G)			0		20	25	0	-100	-25

MAINTENANCE OF EFFORT (MOE) CALCULATION - ADJUSTING BASE AMOUNT

	<u>ESTIMATED</u>							
BASE YEAR	<u>92-93</u>	<u>93-94</u>	<u>94-95</u>	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>
BASE AMOUNT (A)	800		800	825	830	850	875	875
CALCULATION OF BASE AMOUNT ADJUSTMENT	N/A		(75-50)(B)	(80-75)(C)	(100-80)(D)	(125-100)(D)	(125-125)(D)	(25-125)(D)
ADJUSTMENT TO BASE AMOUNT	N/A		25	5	20	25	0	-100
ADJUSTED BASE AMOUNT (MOE REQUIREMENT)	800		825	830	850	875	875	800(E)
LOCAL FINANCIAL RESOURCES (ADOPTED BUDGET)	800		825	830	860	875	775	775
REDUCTION IN PSAF ALLOCATION	N/A		0	0	0	0	-100(F)	-25

A-Base is equal to the adopted budget for public safety services in 1992-93 (after exclusions) adjusted as provided in AB2788.

B-Adjustment to Base amount for 94/95 fiscal year only - difference between 94/95 estimated PSAF allocations and actual 93/94 PSAF allocations.

C-Adjustment to Base amount for 95/96 fiscal year only - difference between PSAF actual and estimated allocation for 94/95.

D-Adjustment to Base amount for 96/97 and subsequent fiscal years - difference between actual PSAF allocation for the two preceding years.

E-Even though the calculation for the adjusted base amount would indicate \$775, there can be no adjustment below the 92/93 base year which in this example is \$800.

F-To prevent reduction of PSAF allocation to local agency as indicated, additional General Fund Appropriations in the amount of \$100 would be necessary.

However, since the PSAF allocation of \$25 is less than the \$100 reduction, the PSAF funding reduction is limited to the amount of the allocation. The amount of the funding reduction would be redistributed as follows: If the deficiency is in a county, the redistribution is to cities. If the deficiency is in a city, the redistribution is to the county.

G-The local agency may want to consider designating the Amount In Excess of MOE Requirement to provide funds to finance the MOE requirement during years when there is a decrease in PSAF revenues.

AB2788 (Chapter 886/94)

MAINTENANCE-OF-EFFORT CERTIFICATION FORM

Name of City/County: _____

Fiscal Year of Certification:

AB2788 Maintenance-of-Effort (MOE) Calculation:

Total Public Safety Adopted Budget _____
(Amount of Line 4.1 from Form A)

Less: Public Safety MOE _____
(Amount of Line 3.1 from Form A)

Difference
Over/(Under) AB2788 MOE Requirements _____

Certification Statement:

I hereby certify that the City/County of _____ is over/under
(please circle one) the AB2788 Maintenance-of-Effort requirements concerning the use
of Proposition 172 revenues in the amount of _____. Forms A,
B and C are submitted in support of this calculation. Detailed records concerning this
calculation are available upon request and will be retained.

Signature of City/County Official:

Date signed: _____

FORM A: AB2788 MOE Calculation Worksheet

Step #1: Define Public Safety Services

A city or county should establish their definition of public safety services that is consistent with Government Code Section 30052. Please list all departments included in this definition below.

Please list all departments included in this definition below.

Step #2: Determine Base Year

The city should determine their AB2788 base year by using the 1992-93 Adopted Budget for all defined public safety departments. The “Total Base Year” Line 2.1 increases each year by the “Growth Amount” reported in the prior year’s Line 3.1, and should reconcile to the prior year’s “Total Base Amount for Local Agency” (Line 3.2). In no event should the Total Base Year reported in Line 2.1 fall below the 1992-93 Base Year.

Please provide the 1995-96 Base Year below.

Line 2.1: Total Base Year _____

Step #3: Determine Base Amount for Local Agency

AB2788 includes a growth factor provision that is equal to the previous years’ growth in Proposition 172 revenues.

Line 3.1: Growth Amount _____

Line 3.2: Total Base Amount for Local Agency _____
(Total 2.1 and 3.1)

Step #4: Determine AB2788 Public Safety Budget for Certification Year

The city should determine the AB2788 Public Safety Budget for the certification year. The city should include the same departments and type of adjustments that were included in their AB2788 base year calculation.

Please complete Form B to provide the following:

Line 4.1: Total AB2788 Public Safety Budget _____
(Total Adjusted AB2788 Budget for Certification Year detailed in Form B)

Step #5 AB2788 Maintenance of Effort (MOE) Calculation

Please complete the Auditor-Controller AB2788 Certification form using the above information. The calculation would be as follows:

Amount of Line 4.1 - Amount of Line 3.2 = Amount Over or (Under) AB2788 MOE requirement.

Please complete the following Form to calculate the AB2788 MOE base year. Describe all AB2788 adjustments in the space provided below.

[illegible]

Comments:

- (1)
- (2)
- (3)
- (4)
- (5)
- (6)
- (7)
- (8)
- (9)
- (10)

Completed By: _____ Phone: _____ Date: _____

Certification Year: _____

[illegible]

Comments:

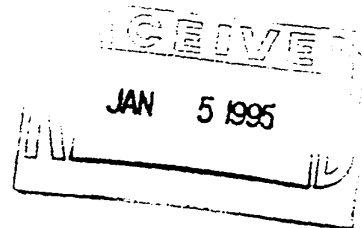
- (1)
- (2)
- (3)
- (4)
- (5)
- (6)
- (7)
- (8)
- (9)
- (10)

Completed By: _____ Phone: _____ Date: _____

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Assembly California Legislature

WILLIE LEWIS BROWN, JR.
ASSEMBLYMAN, THIRTEENTH DISTRICT
SPEAKER OF THE ASSEMBLY



December 23, 1994

Mr. David Elledge
County Auditor/County of Siskiyou
311 4th Street
Yreka, CA 96097

Dear Mr. Elledge:

The California Constitution imposes a tax at a rate of 1/2 of 1% on the gross receipts from the sale in this state of, or the storage, use or other consumption in this state of, tangible personal property. The revenue from the tax is allocated to counties, as specified, for allocation to the county and the cities therein to use exclusively for public safety services. Assembly Bill 2788 (Chapter 886, Statutes of 1994) requires, commencing with the 1994-95 fiscal year, that the amount of these revenues allocated be reduced if the amount of funding for combined public safety services is less than the amount of funding in the 1992-93 fiscal year, as adjusted.

In order to properly implement the intent of this legislation, it appears necessary to further define some of the bill's language, accounting terms, the amounts used to adjust "local financial resources", and base year amount of funding for all combined public safety services. The purpose of this letter is to provide such additional definition.

Budget Adopted By That Jurisdiction

The bill requires that ".... the amount of funding within a local jurisdiction for combined public safety services for each fiscal year shall be determined in accordance with the budget adopted by that jurisdiction for that fiscal year." The bill did not define "budget adopted." However, it was our intent that the "budget adopted" would not be what is commonly referred to as the "adjusted budget", i.e., the budget at the end of the fiscal year that includes all mid-year budget adjustments.



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It is understood that there are various practices among counties in adopting a budget for a fiscal year that need to be considered in determining "the budget adopted" to ensure compliance with the bill's intent. Also, cities are not required by law to adopt a budget in the manner counties do even though most adopt a budget or spending plan. The legislation does not cover the circumstances where a city does not adopt a budget.

It was our intent that for counties the "budget adopted" be the budget submitted to the State Controller by law in November of the fiscal year. For cities, the intent was to use the city's adopted budget or spending plan, as of November 1st of the new fiscal year, as the "budget adopted" for purpose of calculating the MOE requirement.

Adjustments from "local financing resources"

AB 2788 provides for various adjustments from "local financial resources" which is defined as local general fund appropriations for operational expenses and allocations from the Public Safety Augmentation Fund. It was intended that the term "local financial resources" be synonymous with "budget adopted" discussed previously, as the budget adopted relates to public safety services.

AB 2788 lists several categories of adjustments to "local financial resources" in the base year and subsequent years. However, it uses accounting terms (i.e. expended, received, derived) that if applied literally could result in MOE calculations that do not meet the intent of this legislation. For example, revenues received during the fiscal year but not included in the adopted budget, could be subtracted from the base year adopted budget to reduce the MOE requirement below the legislative intent.

It was the intent of this legislation to achieve consistency in year-to-year measurement of amounts spent on public safety services. In turn, the intent was to reduce the amount of the base and subsequent years' "adopted budgets" for public safety services by only the amount appropriated and included in the adopted budget in each fiscal year, relative to the several adjustments specified in this legislation.

By this letter, it is my sincere hope to assist the various city and county Auditor/Controllers in their efforts to implement this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Willie L. Brown, Jr.", with a stylized, cursive script.

WILLIE L. BROWN, JR.
Speaker of the Assembly

SB 1096 GUIDELINES

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return here.**

Prepared by:
The Accounting Standards Committee of the
California State Association of County Auditors

Uniform Guidelines for the Implementation
Of Senate Bill No. 1096 as Amended by Assembly Bill No. 2115
Concerning Funding Provisions Relative to Counties, Cities, Special Districts,
And Redevelopment Agencies in Connection with the State of California Budget
for Fiscal Year 2004-05 and Beyond

Prepared By:

**The Accounting Standards Committee of the
California State Association of County Auditors**

SB 1096 Guidelines
October 26, 2004
Revised: April 12, 2005

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Section I – Introduction and Background

During the State of California Budget process for FY 2003-04 and FY 2004-05, there were three significant financial transactions that were legislated in order to cope with the State's fiscal problems. The first set of transactions to occur, was enacted during the FY 2003-04 fiscal year was a mechanism known as the Triple Flip. This was purely an exchange of revenues generated from 0.25% of the Bradley-Burns sales and use tax that was generally previously credited to the general funds of all cities and counties within the State of California. The idea here was that in order to pledge a sales tax revenue stream to the bondholders who purchase the State Economic Recovery Bonds, the state "flipped" the sales and use tax from the counties and cities to the bond trustee for debt service payments. In order to compensate lost revenue to cities and counties, a direct dollar for dollar replacement to the county's and each city in the county from the county Education Revenue Augmentation Fund. Since local ERAF fund amounts would be reduced, any additional revenue that would be lost from each ERAF would be replaced by direct subventions from the State of California's General Fund to each school, community college, and office of the county superintendents to maintain their respective funding levels.

The second financial transaction to occur was the increased contributions by local government (counties, cities, special districts, and redevelopment agencies) to each county's Education Revenue Augmentation Fund (ERAF I & II). The amount to be increased during the next two years (FY 2004-05 and FY 2005-06) to the individual county's ERAF fund is an aggregate of \$1.3 billion for each of the two years. This amount is in addition to the present statute that requires current ERAF contributions (ERAF I & II). The main difference here is that for the ERAF III shift, it (1) does not include year-to-year growth; and (2) that in FY 2006-07 the additional shift is ended.

The third set of financial transactions enacted during the fiscal year 2004-05 is the "swapping" of the discretionary vehicle license fee from cities and counties to the State of California. To ensure that no cities and counties are financially impacted, a dollar for dollar amount of funds will be replaced to each county and city in FY 2004-05 only. The source of these funds will be similar to the sales tax exchange in that each county's ERAF will be the source of these payments. Unlike the triple flip however, this "swap" for fiscal year 2004-05 will be permanent. The growth of the "in

lieu VLF will correspond to the annual local growth of each city and county increases in assessed valuation of taxable property. If the ERAF in any county is insufficient to satisfy the VLF for property tax swap, any additional amounts required will be drawn from the non basic aid schools share of property tax, which will then be replenished by the State General Fund.

It is recommended that the aforementioned shifts are done at the jurisdictional level (outside of the AB 8) process for the following reasons:

- 1) The ERAF III shift is for 2 years only
- 2) The triple flip is an exchange of sales and use tax for “in lieu sales tax”. These amounts are not defined as secured or unsecured property tax.
- 3) The VLF swap is an exchange of discretionary vehicle license fees for “Property Tax In lieu of VLF. Although these in lieu taxes are property taxes, they are not secured or unsecured in the traditional sense, but are originated from each county’s ERAF fund.

As with previous guidelines developed to implement other provisions of law, the objective of these guidelines are to: (1) develop a reasonable document counties may rely upon as an accepted standard to follow in complying with the statutes, (2) promoting uniformity in the implementation of the statutes and (3) eliminating unnecessary and costly time consuming and burdensome documentation and record keeping.

It is with deepest appreciation that we acknowledge the work of the following individuals and their respective staffs who significantly contributed to these guidelines:

Rod Dole, Sonoma County Auditor-Controller, Member

Mark Norris, Finance Director, County Of Sacramento, Member

Dave Elledge, Controller –Treasurer, County of Santa Clara, Member

Steve Ybarra, Auditor-Controller, County of Contra-Costa, Member

Paul Abelson, Chief Accountant, County of Contra-Costa

Pam Johnston, Tax Manager, County of Sonoma

Kim Le, Tax Manager, County of Sacramento

Irene Lui, Tax Manager, County of Santa Clara

Richard Arrow, Auditor-Controller, County of Marin,Chairman

Also, we deeply appreciate the assistance of the following organizations who lent their time and immeasurable help:

- The Office of the California State Controller
- The California State Association of Counties
- The League of California Cities
- The Office of the Legislative Analyst, State of California
- The Department of Finance, State of California
- The Office of the California Assembly Budget Committee
- The California Special District Association
- MBIA Muni Services
- HDL Property Tax Services
- City of Fremont, CA

Section II - TRIPLE FLIP (0.25% Reduction to Bradley-Burns Sales Tax Authority)

II. A. "Triple Flip" Description and Definitions – Establishment of Special Funds

Proposition 57, passed by California Voters on March 2, 2004, approved the sale of Economic Recovery Bonds, to be paid by a new 0.25% percent sales tax. As described above, a portion of the general-purpose sales and use tax rate for local governments was suspended. Companion legislation also provided that property tax revenues be provided to offset the reduction in sales tax and use tax revenues.

The 2004 Budget Act estimate of revenue loss in 2004-05 due to the 0.25% rate reduction in the local sales and use tax is \$1.136 billion. This is called the "countywide adjustment amount".

Pursuant to Chapter 211, Statutes of 2004, a county's Educational Revenue Augmentation Fund (ERAF) is to be reduced by the "countywide adjustment amount", which shall be deposited in a "Sales and Use Tax Compensation Fund" that is established in the treasury of each county. The County Auditor shall allocate to each city and the county their share of the "countywide adjustment amount".

The following descriptions have been provided to assist you in (1) implementing the provisions of AB 7X and AB 1766, signed by Governor Davis in August 2003, and SB 1096 and AB 2115, signed by Governor Schwarzenegger in September 2004, (2) understanding various parts of the Triple Flip Guidelines, and (3) giving some insight into the committee's conclusions on the above bills.

Bradley-Burns Uniform Local Sales and Use Tax Law

If a county adopts a specified ordinance, this law authorizes that county to impose a local sales and use tax at a rate of 1.25%, and similarly authorizes a city, located within a county imposing such a tax rate, to impose a local sales tax rate of up to 1% which is credited against the county rate. Until the Economic Recovery Bonds are repaid, these tax rates are 1% and 0.75%, respectively.

Educational Revenue Augmentation Fund (ERAF)

A fund established by each county used to deposit those revenues equal to the determined property tax shift amounts from the county, cities, special districts, and payments from redevelopment agencies. The amount of revenue in the ERAF shall be allocated to school districts, county offices of education, and to community college districts.

Sales and Use Tax Compensation Fund (SUTCF)

A fund established by each county used to deposit property taxes that previously were deposited to the ERAF. Existing law requires the county auditor to allocate in-lieu local sales and use tax revenues from the Sales and Use Tax Compensation Fund to cities and counties to reimburse these entities for revenue losses resulting from the suspension of the Bradley-Burns Law tax rate mentioned above.

Countywide Adjustment Amount

An amount estimated by the Director of Finance, based on sales tax revenues in a county in a prior fiscal year, to reimburse cities and counties for the revenue losses resulting from the suspension of their Bradley-Burns Law tax rate authority. The "countywide adjustment amount" estimated by the Director of Finance shall be based upon the actual amount of local sales and use tax revenues transmitted to a county or a city in the prior fiscal year and any projected growth on this amount for the current fiscal year.

In Lieu Local Sales and Use Tax Revenue

This is the title of the revenue account in which any revenue transferred from the Sales and Use Tax Compensation Fund, to a county, city, or city and county, would be deposited in those entities.

Fiscal Adjustment Period

The period beginning with the 2004-05 fiscal year and continuing through the fiscal year in which the Director of Finance notifies the State Board of Equalization that the Economic Recovery Bonds have been paid or retired. The "Triple Flip" (.25% sales tax reduction) will discontinue at the end of the "fiscal adjustment period."

II. B. Notification by Department of Finance

County auditors will receive a letter by **September 1, 2004**, that indicates the "countywide adjustment amount" totaling \$1.136 billion and has two attachments. (Attachment B). The first is a statewide listing of each county's estimated 2004-05 "countywide adjustment amount", and the second is specific to each auditor and will include a breakdown of the specific county total into amounts for each city in the county and the unincorporated county area. The Department of Finance will also provide this information to the League of California Cities and the California State Association of Counties.

As specified in Revenue and Taxation Code 97.68(c)(1), the State Director of Finance is required to estimate and communicate, **by September 1 of each fiscal year**, the "countywide adjustment amount" based upon the actual amount of the local sales and use tax revenues transmitted to a county or a city in the prior fiscal year, to reimburse cities and counties for the revenue losses resulting from the suspension of their Bradley-Burns Law tax rate authority. The "countywide adjustment amount estimated by the Director of Finance shall be based upon the actual amount of local sales and use tax revenues transmitted to a county or a city in the prior fiscal year and any projected

growth on this amount for the current fiscal year. There will be only one transmittal from Finance annually by September 1, as specified in Revenue and Taxation Code 97.68(c)(1). After the first year, the Department of Finance will recalculate the actual amount of revenue losses and notify the County Auditor or adjustments to prior year estimates that shall be paid from the county's Sales and Use Tax Compensation Fund (SUTCF) or ERAF if there are insufficient funds within the SUTCF.

II. C. Calculations for Cities and Counties Reimbursement

The total "countywide adjustment amount" for 2004-05, and information on how the total "countywide adjustment amount" was allocated among counties and cities, is as follows:

Statewide Forecast Methodology

The development of the forecast for the major General Fund revenues begins with a forecast of national economic activity prepared by an independent economic forecasting firm. The Department of Finance's Economic Research Unit, under the direction of the Chief Economist, adjusts the national forecast based on the Department's economic outlook. The national economic forecast is used to develop a forecast of similar indicators for California activity.

After finalizing the forecasts of major national and California economic indicators, revenue estimates are generated using revenue-forecasting models developed and maintained by the Department of Finance. With each forecast, adjustments are made for any legislative, judicial, or administrative changes, as well as for recent cash results. The forecast is updated twice a year and released with the Governor's Budget by January 10, and the May Revision by May 14.

The Financial Research Unit in the Department of Finance is responsible for forecasting major General Fund revenues, including the personal income tax, the corporation tax, and the sales and use tax, as well as several special funds including vehicle license fees, motor vehicle registration fees, and fuel taxes. **The "countywide adjustment amount" is part of the sales and use tax forecast, and totals an estimated \$1.136 billion for 2004-05. This is less than one full year (more on this below).**

The sales tax forecast uses a multiple-regression model. The basis for the forecast is an estimate of quarterly total taxable sales. The model uses the following variables, developed by the Economic Research Unit (May Revision estimates in parentheses):

- * California wages and salaries (2004: 5.9%; 2005: 5.8%).
- * California unemployment rate (2004: 6.3%; 2005: 6.1%).
- * U.S. vehicles (2004: 1.7%; 2005: 0.7%).
- * California non-residential construction valuation (2004: -0.5%; 2005: 6.4%).
- * Consumer Goods Deflator (2004: 100.8; 2005: 100.8).

Once a forecast for quarterly taxable sales is done, these figures are multiplied by 5 percent (since the Department of Finance is forecasting General Fund revenues) and allocated among the months based on historical allocation factors as adjusted for special factors, like a final payment date falling on a weekend or holiday. The monthly General Fund cash is further adjusted for refunds, accounts receivable, new legislation, and any other known factor. These monthly amounts then become the monthly Agency cash

reported in the monthly Finance Bulletin (available on the Department of Finance web site at www.dof.ca.gov, see the link Monthly Finance Bulletins). Total taxable sales growth for 2004-05 is estimated at 4.8 percent.

The \$1.136 billion "countywide adjustment amount" for 2004-05 is the fraction of the monthly Agency cash equivalent to the 0.25 percent rate for the second half of August 2004 through June 2005.

Upon release of the 2005-06 Governor's Budget on January 10, 2005, a 2005-06 "countywide adjustment amount" estimate will be available, and on May 14, 2005, the May Revision estimate will be available.

Countywide Adjustment Amount Allocation Among Counties and Cities

Proposition 57, passed by California voters on March 2, 2004, decreased the general-purpose sales and use tax rate for local governments by 0.25% by limiting counties to a sales tax rate of 1% and cities at 0.75%. This Proposition also provided that property tax revenues be provided to offset the reduction in sales tax and use tax revenues. Further, Chapter 211, Statutes of 2004, provides that a county's Educational Revenue Augmentation Fund is to be reduced by the "countywide adjustment amount," which is to be deposited in a Sales and Use Tax Compensation Fund that is established in the treasury of each county.

Applying the statewide estimate of taxable sales growth of 4.8 percent to each county does not account for variation among counties. Therefore, the Board of Equalization used historical actual sales by county to determine each county's adjustment amount. Within counties, past year actual allocations among the cities and the unincorporated county area were used to allocate the county total among the various entities.

For 2005-06, the Board of Equalization and Finance will be monitoring taxable sales in cities and counties that have notified the Board that significant additional retail activity would come on-line in 2004-05. This information may be used in development of the 2005-06 allocations. However, be aware that any increase in one city would result in decreases elsewhere.

II. D Adjustments and "True-ups"

Each year, the September 1 notification from the Department of Finance will include a reconciliation between the prior years sales and use tax countywide adjustment amount and the actual losses of Sales and Use Tax due to the Triple Flip. If the allocations from the Sales and Use Tax Compensation are less or more than the actual loss in the prior year, the adjustment to actual loss will be completed during the subsequent January allocation.

For fiscal year 2004-05, there has been some discussion that the \$1.136 billion amount is too high. The reasoning is that local governments will receive all revenues from sales for the second calendar quarter of 2004, and so for 2004-05 local governments should

receive a “countywide adjustment amount” equal to the loss of revenues for the third and fourth quarters of 2004 and the first quarter of 2005. The actual losses for these quarters due to the 0.25 percent rate reduction will be known by August 15, 2005. Then, the 2005-06 “countywide adjustment amount” would be the estimated loss for the second, third, and fourth quarters of 2005 and the first quarter of 2006 (as adjusted by the over or underestimate of \$1.136 billion compared with actual losses for the three quarters in 2004-05).

This issue is currently being analyzed, but the 2004 Budget Act included the \$1.136 billion “countywide adjustment amount”, so no change to that amount is possible at this time. However, if the \$1.136 billion amount is found to be too high, then the 2005-06 “countywide adjustment amount” will be decreased accordingly in the September 1, 2005, letter. Department of Finance hopes to resolve the 3-quarter vs. 10.5 months issue by release of the Governor's Budget on January 10, 2005.

II. E Expiration of the Countywide Adjustment Amount

The 0.25% reduction in Local Sales and Use Tax Rate Authority will remain in effect until the State's Economic Recovery Bonds are fully redeemed.

II. F Settlement After the Final Adjustment Period

At this time, it is impossible to determine when the Triple Flip will cease. Revenue and Taxation Code Section 97.68 includes four different reconciliation processes depending on when, during the fiscal year, the State Director of Finance determines the bonds have been paid and the Triple Flip should cease. The timing of the final reconciliation is directly related to when the Board of Equalization can provide actual sales and use tax information for cities and counties to the State Director of Finance. In turn, the Director of Finance will provide instructions to the County Auditor regarding additional amounts due the cities and counties or reductions due to over payment. In simple terms, the reconciliation of the estimated loss, due to the 0.25% reduction, to the actual amounts reported by the Board of Equalization and directions from the Director of Finance will be completed during the next two to three January/May allocations.

We did not include the four reconciliation processes in the guidelines because it will only be necessary to understand one of the four reconciliation processes. Second, the expectation is the Triple Flip will continue for numerous years and an immediate understanding is unnecessary.

II.G Method and Timing of Allocations

You may wish to refer to the Appendix after reading this section. The Appendix includes a Triple Flip time chart of the notification and allocation process and implementation models reflecting the calculation of the allocation of taxes.

Half of the “countywide adjustment amount” shall be deposited to the Sales and Use Tax Compensation Fund during the Secured Property Tax allocation in December-January and the remaining balance in April-May. The County Auditor shall allocate revenues in the Sales and Use Tax Compensation Fund among the county and cities in the county.

Annually, during the “fiscal adjustment period”, the auditor shall allocate one-half of the annual “countywide adjustment amount” during each January , and shall allocate the balance during each May.

After allocating the property tax amounts for ERAF I, II, and III to the Educational Revenue Augmentation Fund (ERAF), the auditor shall make the following accounting entries and transfers:

Example: Wine County’s “countywide adjustment amount” for the cities and county is calculated, by the Department of Finance to be \$16,200,000. The County’s share is \$2,900,000. The nine cities combined share is \$13,300,000.

Educational Revenue Augmentation Fund:

On or before January 31 and May 30, transfer one half of the “countywide adjustment amount” to the Sales and Use Tax Compensation fund.

Due to schools.....	\$8,100,000	
Due to Sales and Use Tax Compensation Fund...		. \$8,100,000

Due to Sales and Use Tax Compensation Fund...	\$8,100,000	
Cash.....		\$8,100,000

Sales and Use Compensation Fund:

On or before January 31 and May 31, receive and allocate, to the cities and county, one half of the “countywide adjustment amount”.

Cash.....	\$8,100,000	
Due to City of Merlot		\$3,400,000
Due to City of Chardonnay		\$1,200,000
Due to City of Pinot Noir		\$ 800,000
Due to City of Zinfandel		\$ 400,000
Due to City of Shiraz		\$ 370,000
Due to City of Petite Shiraz		\$ 250,000
Due to City of Cabernet Sauvignon		\$ 180,000
Due to City of Sauvignon Blanc		\$ 50,000
Due to County of Wine		\$1,450,000

Due to City of Merlot	\$3,400,000

Due to City of Chardonnay	\$1,200,000	
Due to City of Pinot Noir	\$ 800,000	
Due to City of Zinfandel	\$ 400,000	
Due to City of Shiraz	\$ 370,000	
Due to City of Petite Shiraz	\$ 250,000	
Due to City of Cabernet Sauvignon	\$ 180,000	
Due to City of Sauvignon Blanc	\$ 50,000	
Due to County of Wine	\$1,450,000	
Cash.....		\$8,100,000

County of Wine General Fund:

On or before January 31 and May 31, the county general fund receives the property tax "in lieu of sales and use tax revenue".

Cash.....	\$1,450,000	
"in lieu of sales and use tax revenue"		\$1,450,000

II. H Tax Exchange or Revenue Sharing Agreements

Existing tax exchange or revenue sharing agreements, entered into prior to July 1, 2004, between local agencies or between local agencies and non-local agencies "shall be deemed to be temporarily modified" to account for the reduction in sales and use tax revenues and dollar-for-dollar replacement with property taxes "in lieu of sales and use taxes". **The intent here is that there should not be a negative financial impact to the tax exchange or revenue sharing agreements, between the parties, as a result of the sales and use tax revenues being replaced with property taxes "in lieu of sales and use taxes" (Triple Flip). The city or county continues to receive tax revenue (sales and use taxes plus "in lieu sales and use tax revenues") equal to sales and use taxes prior to the "Triple Flip". Therefore, the change in the composition of the revenue should not impact the agreement(s) but the agreement "shall be deemed to be temporarily modified" to reflect the change in the composition of the revenue.**

Section III – Vehicle License Fee Swap

A. DEFINITIONS

Vehicle license fee description and adjustment amount

The Vehicle License Fee Adjustment Amount (VLF Adjustment), as defined in Revenue and Taxation Code Section 97.70(c)(1), is generally the replacement of the VLF backfill. This amount will be funded via a reduction to the ERAF amount available for allocation to all school districts, community college districts, and county office of education in accordance with Revenue and Taxation Code Section 97.70(a)(1)(A).

If the ERAF fund is insufficient to fund the VLF Adjustment amount, the Auditor shall reduce the amount of ad valorem property tax revenue that is otherwise required to be allocated to non basic aid districts and community college districts in the county for that fiscal year by an amount equal to the difference between the VLF Adjustment amount and the amount of ad valorem property tax revenue that is otherwise required to be allocated to the ERAF in accordance with Revenue and Taxation Code Section 97.70(a)(1)(B). These reductions are to be allocated among the various schools and college districts in proportion to their respective proportion of local secured assessed valuations.

The VLF Adjustment amounts for the County, Cities, County and City (San Francisco) are to be computed by the State Controller and provided to the County Auditor on or before September 15, 2004 per Revenue and Taxation Code Section 97.71(b)(3).

Vehicle License Fee Property Tax Compensation Fund (VLF Compensation Fund)

A fund established by each County used to deposit those property tax revenues equal to the

determined VLF Adjustment amounts determined by the State Controller for the County, Cities,

and County and City (San Francisco) per Revenue and Taxation Code Section 97.70(a)(2).

Property Tax In-Lieu of Vehicle License Fee

A property tax revenue account created by each County to record the allocation of revenues from the VLF Compensation Fund to the County and Cities.

B. CALCULATIONS FOR CITIES AND COUNTIES – FY 2004-05

The VLF Adjustment amounts for the FY 2004-05 are determined by the State Controller.

The VLF Adjustment amount is the resulting difference between the estimated total amount of revenue that would have been deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and the estimated total amount of revenue that is required to be distributed from the Motor Vehicle License Fee Account in the Transportation Tax Fund under Revenue and Taxation Code Section 11005.

VLF Adjustment Amount [Revenue and Taxation Code Section 97.70(c)(1)(A)]
= [Revenue and Taxation Code Section 97.70(c)(1)(A)(i)] - [Revenue and Taxation
Code Section 97.70(c)(1)(A)(ii)]

C. CALCULATIONS FOR CITIES AND COUNTIES – FY 2005-06 AND BEYOND

For the FY 2005-06 and each fiscal year thereafter, the VLF Adjustment amount is calculated in accordance with Revenue and Taxation Code Section 97.70(c)(1)(B)(i) as follows:

Current year VLF Adjustment amount

= Prior Year VLF Adjustment amount multiplied by (1 + Percent increase in locally assessed values on taxable properties).

For the FY 2005-06, the Prior Year VLF Adjustment amount (FY 2004-05) will include a true-up amount to actual revenue. The true-up amount is the difference between the estimated 2004-05 VLF Adjustment amount provided by the State Controller and the actual 2004-05 VLF Adjustment amount that would have been distributed in accordance to Revenue and Taxation Code Section 97.70(c)(1)(B)(i)(I). On or before September 1, 2005, per Revenue and Taxation Code Section 97.76(b), the State Controller shall determine and provide the true-up amount to the County Auditor.

Percent increase in locally assessed values on taxable properties is the percentage change from the prior fiscal year in gross taxable locally assessed valuation within the jurisdiction of the entity, as reflected in the equalized assessment for those fiscal years in accordance with Revenue and Taxation Code Section 97.70(c)(1)(B)(i)(Ib).

Locally assessed rolls includes the Assessors “601” (secured, unsecured, HOPTR), Boats, Airplanes, and the public utility roll as produced by the State Board of Equalization. However, the unitary roll is not to be included.

Adjustments Due to Annexations

Pursuant to Revenue and Taxation Code 97.70(c)(II)(i)(II), for the first fiscal year for which a change in a city’s jurisdictional boundaries first applies, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated solely on the basis of the city’s previous jurisdictional boundaries, without regard to the change in that city’s jurisdictional boundaries. For each following fiscal year, the percentage change in gross taxable assessed valuation from the prior fiscal year to the current fiscal year shall be calculated on the basis of the **city’s current jurisdictional boundaries**.

D. METHOD AND TIMING OF ALLOCATIONS

The following describes the methodology and timing for the allocations of the VLF Swap as illustrated in Appendix A Schedule B.

D.1. Methodology for the Allocation of the VLF Adjustment:

D.1.a. Secured and Unsecured Tax Rolls and Homeowners Exemption

⇒ Transfer the 2004-05 VLF Adjustment amounts as determined by the State Controller from the ERAF to the VLF Compensation Fund.

The 2004-05 VLF Adjustment amounts are to be adjusted for their actual at the end of the fiscal year. If the actual allocations from the VLF Compensation Fund are less or more than the actual amount in the prior year, the adjustments to actual loss or gain will be completed during the subsequent January allocation.

- ⇒ For the FY 2005-06 and each fiscal year after
VLF Compensation Fund amount
= Prior Year VLF Adjustment amount multiplied by (1 + Percent increase in locally assessed values on taxable properties).
- ⇒ Record the allocations from the VLF Compensation Fund to the newly created Revenue account Property Tax In-Lieu of Vehicle License Fee.

D.1.b. Supplemental Tax Roll

- ⇒ Determine the Taxing Entities' applicable revenues for computation of Supplemental Apportionment factors
- ⇒ Adjust the County's, Cities' and ERAF's applicable revenues by adding the County's and Cities' VLF Adjustment amounts to the County's and Cities' applicable revenues and reducing the ERAF portion by these amounts.
- ⇒ Compute the Supplemental Apportionment factors using the Adjusted Taxing Entities' applicable revenues for Supplemental tax roll.

The allocation of supplemental roll property taxes will be based on factors including the conversion of VLF revenues to property tax dollars. The supplemental roll allocation factors will not however incorporate changes made from the Triple Flip or the ERAF III shift (See model for schedule of supplemental roll allocations.) The VLF revenue exchange for property taxes is a true change of intergovernmental revenue for taxes and the growth is based on the annual increase/decrease in assessed valuation. Therefore, it is appropriate that the growth be reflective in the supplemental tax allocations. On the other hand, the Triple Flip is an exchange of property tax dollars in lieu of sales tax and the growth remains based on sales tax transactions for each taxing jurisdiction. ERAF III is a temporary two-year shift of property tax dollars with no growth provisions and not intended to affect any other property tax allocation process. This change in the supplemental roll allocation policy is effective for the entire 2004-05 fiscal year.

Once the FY 2004-05 "true-up" calculations are received by County Auditors, there is no need to adjust the actual distributions of supplemental taxes made during FY 2004-05. The factors will be modified during the process of calculating the exchange (swap) during FY 2005-06. Therefore the supplemental factors reflecting the "true-up" calculations will be adjusted during FY 2005-06.

D.1.c. Unitary Tax Roll

For a County with a Unitary Roll growth in excess of 2%, beginning with fiscal year 2005-06 and any subsequent fiscal year in which the County's Unitary tax roll growth is in excess of 2%, and as long as the VLF Adjustments are still applicable; the County and Cities VLF Adjustment amounts shall share the excess 2% growth amount.

Unitary Tax Roll growth in excess of 2% for fiscal year 2005-06

- ⇒ Adjust the County's, Cities' and ERAF's 2004-05 deemed allocated revenues for the purpose of distributing the Unitary Tax Roll growth in excess of 2% by adding the County's and Cities' 2004-05 VLF Adjustment amounts to the County's and Cities' deemed allocated revenues and reducing the ERAF deemed allocated revenues by these amounts.
- ⇒ Compute the modified 2004-05 Apportionment factors using the Adjusted Taxing Entities' deemed allocated revenues for allocation of the 2005-06 growth portion of the Unitary tax roll growth in excess of 2%.

Unitary Tax Roll growth in excess of 2% for subsequent fiscal year

- ⇒ Adjust the County's, Cities' and ERAF's prior year deemed allocated revenues for the purpose of distributing the Unitary Tax Roll growth in excess of 2% by adding the County's

and Cities' prior year VLF Adjustment amounts to the County's and Cities' deemed allocated revenues and reducing the ERAF deemed allocated revenues by these amounts.

- ⇒ Compute the modified prior year Apportionment factors using the Adjusted Taxing Entities' deemed allocated revenues for allocation of the current year growth portion of the Unitary tax roll growth in excess of 2%.

D.2. Timing of the Allocation

Revenue and Taxation Code Section 97.70(b)(2) requires the distribution of the 1st one-half (50%) of the VLF Adjustment amount on or before January 31st and the 2nd one-half of the VLF Adjustment amount on or before May 31st of each fiscal year.

Sample Journal Entries:

Educational Revenue Augmentation Fund:

On or before January 31 and May 30, transfer one half of the "VLF adjustment amount" to the VLF Compensation fund.

Due to ERAF.....	\$69,435,140	
Due to VLF Compensation fund		\$69,435,140
Due to VLF Compensation fund ...	\$69,435,140	
Cash.....		\$69,435,140

VLF Compensation Fund:

On or before January 31 and May 31, receive and allocate, to the cities and county, one half of the "VLF adjustment amount".

Cash.....	\$69,435,140	
Due to City of Zinfandel		\$ 1,440,204
Due to City of Shiraz		\$ 765,100
Due to City of Petite Shiraz		\$ 97,910
Due to City of Merlot		\$ 2,790,994
Due to City of Cabernet Sauvignon		\$ 3,514,836
Due to County of Wine		\$60,826,096

Due to City of Zinfandel	\$ 1,440,204	
Due to City of Shiraz	\$ 765,100	
Due to City of Petite Shiraz	\$ 97,910	
Due to City of Merlot	\$ 2,790,994	
Due to City of Cabernet Sauvignon	\$ 3,514,836	
Due to County of Wine	\$60,826,096	
Property tax In-Lieu of VLF - City of Zinfandel		\$ 1,440,204
Property tax In-Lieu of VLF - City of Shiraz		\$ 765,100

Property tax In-Lieu of VLF - City of Petite Shiraz	\$ 97,910
Property tax In-Lieu of VLF - City of Merlot	\$ 2,790,994
Property tax In-Lieu of VLF - City of Cabernet Sauvignon	\$ 3,514,836
Property tax In-Lieu of VLF - County of Wine	\$60,826,096

Section IV - Additional ERAF Contributions (ERAF III)

A) Description, Definitions, & Interpretations

During the 1992-93 State Budget process, the State Legislature and Governor struggled to balance an \$11 billion budget deficit. As part of the State's budget solution, the budget bills included a \$1.3 billion shift (ERAF I) in local property tax revenues from counties, cities, special districts, and redevelopment agencies to K-12 schools and community colleges.

During the 1993-94 State Budget process, the State Legislature and Governor shifted an additional \$2.6 billion shift (ERAF II) in local property tax revenues from counties, cities, special districts and redevelopment agencies to K-12 schools and community colleges in order to balance the State Budget.

These earlier shifts are both continuing, annual shifts, and the amounts shifted include growth. So, annual shifts that once were \$1.3 billion and \$2.6 billion have, and under existing law, will continue to grow significantly larger over time.

During the 2004-05 State Budget process, the State Legislature and the Governor enacted Senate Bill 1096 and Assembly Bill 2115, effectively shifting an additional \$1.3 billion in local property tax revenues from counties, cities, special districts and redevelopment agencies to K-12 schools and community colleges. This shift, referred to as ERAF III, is different from the previous two in that it is effective for only 2 years, FY 2004-05 and FY 2005-06, and is for fixed amounts with no provision for growth (the amount each jurisdiction loses in 2005-06 will be the same as the amount in 2004-05). Because of these differences, the ERAF III implementation is substantially different from the previous shifts. The most fundamental difference is that the ERAF III shift will be accomplished entirely outside of the AB 8 process.

The following definitions and interpretations have been made using various sources referenced. These definitions and interpretations were made to assist you in (1) implementing the provisions of SB 1096 and AB 2115, (2) understanding the various parts of these guidelines, and (3) giving some insight into the committee's conclusions on the above bills.

Administrative Cost Apportionment Factor

ERAF III will affect your SB 2557 administrative cost apportionment calculations. Refer to section V of these guidelines for further details.

Educational Revenue Augmentation Fund (ERAF)

A fund established by each county used to account for property tax revenues shifted by the State from counties, cities and special districts and property tax shift related

payments from redevelopment agencies to k-12 schools, community colleges and county offices of education pursuant to Revenue and Taxation Code section 97.2, 97.3 and 97.70, as well as disbursements to the Sales and Use Tax, and VLF Compensation Funds, as required by Revenue and Taxation Code sections 97.68 and 97.70 (see sections II and III of these guidelines).

Multi-County District

Multi-county district means any special district that includes territory in more than one county as of July 1, 1979. It is possible that a "known" single county district may actually be a multi-county district and vice versa. Consequently, it is advisable to check with the State Board of Equalization and/or State Controller for verification. Contrary to the earlier property tax shifts multi-county districts are not exempt from the ERAF III property tax shift.

Enterprise Special District

An enterprise special district is a special district that performs, as reported in the 2001-02 edition of the State Controller's Special Districts Annual Report, an enterprise function. For ERAF III purposes, the law excludes a fire protection district that was formed under the Shade Tree Law of 1909 set forth in Article 2 (commencing with section 25620) of the Government Code, a local health care district described in Division 23 (commencing with section 32000) of the Health and Safety Code, or a qualified special district as defined in section 97.34 of the Revenue and Taxation Code.

Non-Enterprise Special District

A non-enterprise special district is a special district that engages solely, as reported in the 2001-02 State Controller's Special Districts Annual Report, in non-enterprise functions, and a qualified special district as defined in Revenue and Taxation Code section 97.34.

For purposes of the ERAF III property tax shift, non-enterprise special districts do not include qualifying:

Police protection districts,
Fire protection districts
Libraries
Memorial districts, and
Mosquito abatement & vector control districts

The State Controller may require each district's governing body or designee (e.g. Chief Financial Officer, etc) to certify the district meets exemption qualifications.

Revenues Pledged to Debt Service

Qualifying 1% Property Tax revenues pledged by special districts to debt service are exempted from the State Controller's calculations. Such revenues only qualify for exemption if they are the sole source of revenue pledged to repay a debt in FY 2002-03

for the acquisition or improvement of land, buildings, equipment, and improvements, including improvements to buildings.

The State Controller may require each district's governing body or designee (e.g. Chief Financial Officer, etc) to certify the amounts of revenue pledged as the sole source for repayment to pay debt service costs.

Extension of Redevelopment Plan Timelines

SB 1096 amends Health and Safety Code sections 33333.2 and 33333.6 to allow for the amendment of certain redevelopment timelines. When a redevelopment agency is required pursuant to Health and Safety Code section 33681.12, to make an ERAF III payment, a legislative body may amend the redevelopment plan to extend the timelines of the effectiveness of the redevelopment plan and to repay the indebtedness with the proceeds of property taxes from increment. They may extend the time limits by one year, for each year payment is made, if the time limit for effectiveness of the plan is 10 years or less from the last day of the fiscal year in which such a payment is made, or one year for each year in which payment is made, if the time limit for effectiveness of the plan is more than 10 years but less than 20 years from the last day of the fiscal year in which such a payment is made and other conditions are met.

DETERMINING THE PROPERTY TAX TRANSFER AMOUNT

B) Calculation for Counties:

Revenue and Taxation Code section 97.71(a)(1), added by Section 22 of Chapter 211, Statutes of 2004, and amended by Section 7 of Chapter 610, Statutes of 2004, lists each county's ERAF III shift amount. The total amount shifted for all counties and cities and counties in each of the two years is \$350 million.

C) Calculation for Cities:

Revenue and Taxation Code section 97.71(b)(2), added by Section 22 of Chapter 211, Statutes of 2004, and amended by Section 7 of Chapter 610, Statutes of 2004, defines the method of calculating the ERAF III shift amount for each city. The State Controller is responsible for making these calculations and will notify each County Auditor-Controller of the amounts to shift. (See Notifications section below.)

There are several calculations involved that when combined together with the calculations from section 97.71(b)(1), result in a \$350 million total to be shifted in each of the two years.

First, the city and county amount from section 97.71(b)(1) is subtracted from the \$350 million to arrive at the cities total shift.

Next, 1/3 of the cities total shift is prorated to each city based upon the pro-rata share of allocations to the city from the VLF account vs. comparable allocations to all cities statewide. The data used in the calculation will be from the State Controller's Monthly Motor Vehicle License Fee Reports for the 2002-03 fiscal year.

Next, another 1/3 of the cities total shift is prorated to each city based upon the pro-rata share of sales and use taxes transmitted to the city under section 7204 vs. comparable

amounts transmitted to all cities statewide. The data used in the calculation will be from Table 21A of the 2002-03 edition of the State Board of Equalization Annual Report.

The final 1/3 of the cities total shift is prorated to each city based upon the pro-rata share of the total ad valorem property tax revenue allocated to the city for the 2002-03 fiscal year vs. comparable amounts for all cities statewide. The data used in the calculation will be from the 2001-02 State Controller's Cities Annual Report.

The amounts will then be totaled, and subject to the following limits:

The shift shall not be less than 2%, nor more than 4%, of a city's general revenues, as reported in the 2001-02 edition of the State Controller's Cities Annual Report. If any city has a calculated shift in excess of the 4% threshold, that excess shall be allocated to the remaining cities whose shift is below the limit. Such excess amounts will be allocated based on each City's ERAF III shifts as originally calculated.

D) Calculation for Special Districts:

Revenue and Taxation Code sections 97.72 and 97.73, added by Section 23 of Chapter 211, Statutes of 2004, and amended by Section 8 of Chapter 610, Statutes of 2004, define the method of calculating the ERAF III shift amount for each special district. The Department of Finance is responsible for finalizing these calculations and will notify each County Auditor-Controller of the amounts to shift. (See Notifications section below.)

The data used in these calculations will be from the 2001-02 State Controller's Special Districts Annual Report, unless the district wasn't included in that report, in which case the most currently available report will be used. If a district is located in more than one county, the county auditor will prorate the total shift amount among the affected counties using the ad valorem property taxes allocated to the District from each county.

The ERAF III calculations for special districts are more complex, with separate calculations for enterprise districts and non-enterprise districts. In both the enterprise and non-enterprise district calculations, the methods employed include steps to avoid shifting property taxes used for police, fire protection and libraries, services provided by local healthcare districts, memorial districts and mosquito abatement districts, and amounts pledged for debt service, as defined.

The simple explanation of the shift calculation is summarized immediately below; with further explanation following.

The special district calculations include several components: 1) An initial enterprise district shift, 2) the non-enterprise district shift, and 3) a final enterprise district shift.

The initial enterprise district shift can be summarized in two steps: 1) enterprise transit districts will shift 3% of the ad valorem property taxes reported in the 2001-02 State Controller's Special Districts Annual Report, and 2) for all remaining enterprise districts, the State Controller will calculate 40% of each district's ad valorem property tax, as reported in the 2001-02 State Controller's Special Districts Annual Report, with a limitation that no district shall have a shift amount greater than 10% of their total revenues reported in that Annual Report. In recognition that some enterprise districts also perform non-enterprise functions, the shift will amount to 40% of property tax revenues reported under enterprise functions and 10% of property tax revenues reported

under non-enterprise functions, all as reported in the 2001-02 State Controller's Special Districts Annual Report.

The non-enterprise district shift is 10% of each district's ad valorem property tax, as reported in the 2001-02 State Controller's Special Districts Annual Report.

The final enterprise district shift is an additional pro-rata shift amongst all the non-transit enterprise districts not at their 10% threshold for whatever amount is still required to bring the total special district shift to \$350 million, if necessary. In the process of accomplishing this, all enterprise special districts are protected by the 10% limitation.

For a multi-county special district, the county auditor will prorate the reduction amount between the counties using the amount of property taxes allocated to the District by each county.

Exception for Laguna Niguel Community Services District – The shift will be 4% instead of the non-enterprise 10% in 2004-05 and 2005-06, and 6% in 2006-07 and 2007-08, if the district is not dissolved.

E) Calculation for Redevelopment Agencies

Health and Safety Code section 33681.12, added by Section 15 of Chapter 211, Statutes of 2004, and amended by Section 4 of Chapter 610, Statutes of 2004, defines the calculation of the Redevelopment Agencies' ERAF III shift. The Department of Finance is required to perform the necessary calculations, prorating the \$250 million shift in two pots:

- (1) \$125 million prorated using net tax increment, defined as the increment apportioned to all agencies pursuant to Health and Safety Code section 33670, net of amounts passed through to affected agencies pursuant to sections 33401, 33607.5 or 33676, and
- (2) \$125 million prorated using total tax increment, which is the total increment apportioned to all agencies pursuant to Health and Safety Code section 33670, including any amounts passed through to affected agencies pursuant to sections 33401, 33607.5 or 33676.

In performing these calculations, the Department of Finance is required to use those amounts reported as the "Tax Increment Retained by the Agency" for all agencies and for each agency in the most recent published edition of the Controller's Community Redevelopment Agencies Annual Report. This provision allows for a second calculation for the 2005-06 fiscal year, based on the State Controller's Community Redevelopment Agencies Annual Report for Fiscal Year 2003-04.

A final note regarding redevelopment agencies is the provision for accepting revised reports. If the Controller accepts a revised report on or before September 1, 2005, the Department of Finance will use the alternate data as provided by the Controller.

F) Calculation for City and County's (San Francisco)

Revenue and Taxation Code sections 97.71(a)(1) and 97.71(b)(1) were added by Section 22 of Chapter 211, Statutes of 2004, and amended by Section 7 of Chapter 610, Statutes of 2004. Section 97.71(a)(1) lists each County's ERAF III shift amount, and

includes an amount for the State's only city and county. Section 97.71(b)(1) requires an additional shift for the city and county calculated by taking \$350 million times the pro-rata share of allocations to the city and county from the VLF account vs. comparable allocations to all cities and cities and counties statewide, using the State Controller's Monthly Motor Vehicle License Fee Reports for the 2002-03 fiscal year for the source data.

G) NOTIFICATION

For the 2004-05 and 2005-06 fiscal years, on or before September 15, the State Controller shall notify each County Auditor-Controller of the total reduction amount for each city (and city and county).

On or before October 25, 2004, the State Controller shall notify the Department of Finance of the special district amounts calculated pursuant to Revenue and Taxation Code sections 97.72 and 97.73; and on or before November 12, 2004, the Department of Finance shall notify each County Auditor-Controller of the final reduction amounts for each special district.

For the 2004-05 and 2005-06 fiscal years, on or before November 15, the Department of Finance shall notify each County Auditor-Controller of the total amount to shift for each redevelopment agency in his or her county, and each agency and legislative body of their respective shift.

Redevelopment agencies shall, by March 1, notify the County Auditor-Controller as to how the agency intends to fund the allocation or that the legislative body intends to remit the amount in lieu of the agency pursuant to Health and Safety Code section 33681.14.

H) METHOD AND TIMING OF ALLOCATIONS TO ERAF

The following discussion outlines the major provisions of the method and timing of allocations to the ERAF Fund and is followed by sample journal entries. You may wish to also refer to the Appendix after reading this section, as it contains an implementation model reflecting these additional contributions to ERAF.

General Rule - That amount of revenue not allocated to a county, city, city and county, or special district or paid by a redevelopment agency as a result of the ERAF III provisions, shall be deposited in the county ERAF and allocated as specified in subdivision (d) of Revenue and Taxation Code section 97.3.

County May Borrow – Under conditions specified in Health and Safety Code section 33681.12(i), a county may enter into a loan agreement with its redevelopment agency for the agency to fund all or a portion of its ERAF III shift, with terms that the loan is repaid with interest within the three years subsequent to the year the agreement is entered into.

Cities May Pay Directly - In lieu of a property tax reduction a city may transmit funds directly to the County Auditor-Controller for deposit into the ERAF. If, however, such a transfer does not occur prior to October 1, then the Auditor-Controller shall make the required shift that year.

Redevelopment Agency Amounts Must Be Paid Directly– A redevelopment agency shall, prior to May 10, remit the necessary amounts to the County Auditor-Controller for deposit directly into the ERAF. If an agency is unable to make the necessary payment, the sponsoring agency (city or county) may make the payment pursuant to section Health and Safety Code section 33681.14, or may be required to make the payment pursuant to Health and Safety Code section 33681.13. If the legislative body is to make the payment and fails to do so by May 10, then the County Auditor shall, no later than May 15, allocate such amounts from taxes otherwise due the legislative body, as required by Health and Safety Code sections 33681.13(e) or 33681.14(c).

Redevelopment Agency May Borrow - Under conditions specified in Health and Safety Code section 33681.12(b), in each year a redevelopment agency may borrow up to 50% of the funds otherwise required to be allocated to their low and moderate housing fund in that year to fund all or a portion of its ERAF III payment. Repayment is required within 10 years of the date the loan funds are remitted to the County Auditor for deposit into the ERAF.

In addition, Health and Safety Code section 33681.15 permits an agency to borrow such funds that are needed to make their payments from an “authorized issuer”, as defined in the section, and under numerous conditions; and an authorized issuer is authorized to issue bonds to raise the funds necessary to make the loans. Furthermore, amounts used to repay such loans from an authorized issuer are to be deducted from the amount of property tax revenue deemed to have been received by the agency.

The Character of Redevelopment Agency Payments – Health and Safety Code section 33681.12 declares the ERAF III payments required of a redevelopment agency, including any amounts owed as a result, constitute an indebtedness of the project to which they relate, payable from taxes allocated to the agency pursuant to Health and Safety Code section 33670 (i.e. tax increment).

Sample Journal Entries:

Example: Wine County, it's 8 cities and 3 special districts are collectively shifting \$9,000,000 to ERAF. The county continues to calculate and account for property taxes using the AB 8 apportionment process, unaffected by ERAF III. The ERAF III transfer and related entries outlined below accomplish the shift outside of the AB 8 process.

Educational Revenue Augmentation Fund:

Record amounts due to ERAF from the county, cities and special districts.

Due from Wine County Water District	\$ 1,500,000
Due from Wine County Sanitation District	\$ 1,400,000

Due from Wine County Transit District	\$ 100,000	
Due from City of Merlot	\$ 500,000	
Due from City of Chardonnay	\$ 200,000	
Due from City of Pinot Noir	\$ 800,000	
Due from City of Zinfandel	\$ 400,000	
Due from City of Shiraz	\$ 300,000	
Due from City of Petite Shiraz	\$ 400,000	
Due from City of Cabernet Sauvignon	\$ 300,000	
Due from City of Sauvignon Blanc	\$ 100,000	
Due from County of Wine	\$ 3,000,000	
Due to Schools		\$9,000,000

Record cash receipts from deposits and apportionments.

Cash	\$ 9,000,000	
Due from Wine County Water District		\$ 1,500,000
Due from Wine County Sanitation District		\$ 1,400,000
Due from Wine County Transit District		\$ 100,000
Due from City of Merlot		\$ 500,000
Due from City of Chardonnay		\$ 200,000
Due from City of Pinot Noir		\$ 800,000
Due from City of Zinfandel		\$ 400,000
Due from City of Shiraz		\$ 300,000
Due from City of Petite Shiraz		\$ 400,000
Due from City of Cabernet Sauvignon		\$ 300,000
Due from City of Sauvignon Blanc		\$ 100,000
Due from County of Wine		\$ 3,000,000

Note: The distribution of these ERAF funds to the schools, community colleges and county offices of education would be accomplished at the same time and in the same manner as the distribution of other ERAF funds.

Record the distribution of funds to schools.

Due to schools.....	\$ 9,000,000	
Cash.....		\$ 9,000,000

County of Wine General Fund

Record amounts due to ERAF from the county.

Property tax revenue.....	\$ 3,000,000	
Due to ERAF.....		\$ 3,000,000

Distribute funds to ERAF.

Due to ERAF.....	\$ 3,000,000	
Cash		\$ 3,000,000

Similar entries would be required for any city or special district's funds maintained in the finance system that are allocated and shifting property taxes as a result of ERAF III):

Section V – Other Provisions

A) Hold Harmless to Basic Aid Counties

Revenue and Taxation Code Section 97.68 (f)(1) and Revenue and Taxation Code Section (97.70 (f)(1) provides that any basic aid counties will not be financially impacted due to the imposition of the Triple Flip or the VLF Swap. A basic aid county is one where all the K-12 school districts, community college districts, and County Offices of Education (including special education programs) are funded at their respective basic aid levels. Therefore, in calculating the amount of remaining funds that are available for redistribution to contributing taxing agencies, the amount of the VLF swap or the triple flip sales taxes shall not reduce these additional or remaining funds.

B) Hold harmless to Fiscal Contracts (VLF Swap)

Similar to the hold harmless provisions relative to the “triple flip” as previously discussed, Revenue and Taxation Code Section 97.70 (g) provides that any tax exchange or revenue sharing agreements between local or non local agencies are to be deemed modified to account for the reduced amount of Vehicle License Fees that are replaced by the amount of property tax in lieu of motor vehicle licenses fees by the enactment of this statute.

C) Effect on Property Tax Administration Fees (SB 2557)

Revenue and Taxation Code 97.75 is added to statute that prohibits the imposition of any fee, charge, or other levy on a city for the administration and calculations required for the property tax shift pursuant to the Triple Flip, or the VLF swap for the 2004-05 and 2005-06 years only. In subsequent years, costs associated with these items will be included and allocated formulas should be adjusted accordingly. (See Appendix K)

D) Effect on SB 90 Mandated Cost Claims

Section 49 of SB 1096 states that if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts shall be made according to existing SB 90 claims recovery processes for FY 2004-05 and FY 2005-06 only. Subsequent years will be reimbursed through the Property Tax Administration Fee (SB 2557) process.

E) Hold Harmless to Fiscal Contracts (Triple Flip)

Existing tax exchange or revenue sharing agreements, entered into prior to July 1, 2004, between local agencies or between local agencies and non-local agencies “shall be deemed to be temporarily modified” to account for the reduction in sales and use tax revenues and dollar-for-dollar replacement with property taxes “in lieu of sales and use taxes”. The intent here is that there should not be a negative financial impact to the tax

exchange or revenue sharing agreements, between the parties, as a result of the sales and use tax revenues being replaced with property taxes “in lieu of sales and use taxes” (Triple Flip). The city or county continues to receive tax revenue (sales and use taxes plus “in lieu sales and use tax revenues”) equal to sales and use taxes prior to the “Triple Flip”. Therefore, the change in the composition of the revenue should not impact the agreement(s) but the agreement “shall be deemed to be temporarily modified” to reflect the change in the composition of the revenue.

F) State Reporting Requirements

Revenue and Taxation Code Section 97.70(c)(C) (4) requires the County auditor to report to the State Controller the actual vehicle license fee adjustment amount for the county and each city in the county for that fiscal year on or before June 30.

G) Cash Flows and Negative ERAF Balances

Revenue and Taxation Code Section 97.70(B) states that in the situation where there is insufficient ERAF funds to accommodate Triple Flip, VLF swap, and other hold harmless requirements, a negative ERAF apportionment to non basic aid school districts will be required in order to not result in a negative ERAF fund balance at year end. Please see schedule G of Exhibit A for a sample of how to accommodate the necessary reverse apportionments to school districts.

COUNTY OF WINE

Triple Flip

	DOF Estimated 1.0 % Bradley-Burns Sales Tax	Sales Tax Rate to State (0.25 %)
County General	\$4,500,000	\$1,125,000
City of Zinfandel	11,833,583	2,958,396
City of Shiraz	9,429,256	2,357,314
City of Petite Shiraz	25,825	6,456
City of Merlot	50,554,479	12,638,620
City of Cabernet Sauvignon	36,302,796	9,075,699
	<u>\$112,645,939</u>	<u>\$ 28,161,485</u>

By September 1, the State Department of Finance will notify county auditors of the adjustment amount for each city and the county for that fiscal year.

The adjustment amount will be based on the actual sales and use taxes received by the entity for the prior fiscal year and the entity's projected growth for the current fiscal year.

The state-wide total adjustment amount will match the estimate included in the State Budget.

County auditors will reduce the annual J-29 estimate of property taxes to schools to reflect the transfer of the adjustment amount from ERAF to the Sales and Use Tax Compensation Fund.

Each December and April, county auditors will process the standard allocation and transfer adequate ERAF funds to the Sales and Use Tax Compensation Fund.

County auditors will allocate to cities and the county 1/2 of the DOF specified adjustment amount each January and the balance of that amount each May.

COUNTY OF WINE

VLF Swap

	Estimated VLF Transfer
County General	\$ 121,652,192
City of Zinfandel	2,880,407
City of Shiraz	1,530,200
City of Petite Shiraz	195,820
City of Merlot	5,581,988
City of Cabernet Sauvignon	7,029,672
	\$ 138,870,279

The VLF backfill will be eliminated.

The remaining VLF will go first to maintain full funding of health and welfare programs largely provided by counties under a state-local realignment shift in the early 1990s.

Remaining VLF funds will be deposited in the Motor Vehicle License Fee Account (State). These funds, less State admin charges, will be allocated to cities on a per capita basis.

The VLF loss to cities and counties will be replaced with funds transferred to the Vehicle License Fee Property Tax Compensation Fund from ERAF.

On or before September 1, 2004 and 2005, the State Controller will notify county auditors of the VLF adjustment amount for each city and the county. The VLF adjustment amount reported by the State Controller for FY 2005 will be based on estimates and FY 2006 will be based on FY2005 actuals.

For fiscal year 2005-06 and each fiscal year thereafter, growth for the VLF adjustment amount will be calculated by county auditors as follows:

Current year gross assessed valuation (including RDA)

Prior year gross assessed valuation (including RDA)

County auditors will allocate 1/2 of the VLF adjustment amount by January 31 and 1/2 by May 31.

COUNTY OF WINE

ERAF Shift

Cities and Counties

	ERAF Shift
County General	\$ 17,149,916
City of Zinfandel	631,054
City of Shiraz	475,439
City of Petite Shiraz	29,436
City of Merlot	2,220,651
City of Cabernet Sauvignon	2,076,879
	<u>\$ 22,583,375</u>

For fiscal years 2004-05 and 2005-06, counties will shift \$350 million to ERAF statewide. Each county's ERAF shift reflects its proportionate share of 2003-04 county nonrealignment VLF. The amount of the ERAF shift for counties is cited in Revenue and Taxation Code Section 97.71.

For fiscal years 2004-05 and 2005-06, cities will shift \$350 million to ERAF statewide. One-third of the \$350 million reflects each city's proportionate share of statewide city VLF revenues. Another one-third reflects each city's share of ad valorem property taxes. The final one-third reflects each city's share of sales and use taxes. Each city's reduction must be at least 2% and not more than 4% of the city's general-purpose revenues. The State Controller's Office, by September 15, will notify county auditors of the cities' reduction amount.

A city may remit to the county auditor an amount equal to the ERAF shift in lieu of a property tax transfer. However, in order for the city to avoid the property tax transfer, the county auditor must receive the in lieu payment by October 1.

Redevelopment agencies are allowed to finance the two-year ERAF shift of their local government. However, state code limits the financing to loans to counties by their RDAs, which must be repaid with interest within 3 years after the year of the loan.

The ERAF shift for counties and cities is a set amount for FY2005 and FY 2006 and does not include growth in assessed valuation. Therefore, transfers to ERAF will be made "post AB 8 calculations".

For fiscal year 2006-07, the ERAF shift for cities and counties will terminate and the specific amount (not including growth) will cease to be deducted from the entities' property tax allocation.

COUNTY OF WINE ERAF Shift

Special Districts

	ERAF Shift
County Library	Exempt
Central Fire	Exempt
South County Fire	Exempt
Evian Water District	\$2,006
Dansani Water District	147,620
Mid-Peninsula Open Space	375,010
Alhambra Water District	16,172,805
Burgundy Cemetery District	43,201
So Wine Valley Memorial District	Exempt
Carignane Hospital District	Exempt
Pinot Noir Recreation & Park District	19,612
Meritage Resource Conservation District	4,260
	<u>\$16,764,514</u>

For fiscal years 2004-05 and 2005-06, special districts will shift \$350 million to ERAF statewide.

The State Controller's Office, by November 12, will notify county auditors of the special districts reduction amount. Calculations of the ERAF shift amounts will be based on data published in the 2001-02 SCO Special Districts Annual Financial Transactions Report.

Enterprise districts will shift the lesser of 40% of reported property taxes (less an amount pledged for debt) or 10% of total revenues. Transit districts will shift 3% of reported property tax revenues (less an amount pledged for debt).

Non-Enterprise districts will shift 10% of reported property taxes (less an amount pledged for debt). Fire, police, library, memorial, mosquito abatement or vector control, and local health care districts are exempt from the ERAF shift.

Enterprise districts that also perform non-enterprise functions will shift an amount, using %'s described above, in proportion of property tax revenue as reported in the 2001-02 SCO financial transactions report.

"Revenues that are pledged to debt service" includes only those amounts required as a sole source of repayment to pay debt service costs in the 2001-02 fiscal year on debt instruments issued by the district for acquisition of fixed assets. "Fixed assets" means land, buildings, equipment, and improvements, including improvements to buildings.

Any shortfall in the \$350 million ERAF shift for special districts will be made up by increasing the ERAF shift from enterprise special districts (excluding transit districts) on a proportionate basis, subject to the cap of 10% of total revenues for any district.

The ERAF shift for special districts is a set amount for FY2005 and FY 2006 and does not include growth in assessed valuation. Therefore, transfers to ERAF will be made "post AB 8 calculations".

For fiscal year 2006-07, the ERAF shift for special districts will terminate and the specific amount deducted in FY 2005-06 (not including growth) will cease to be deducted from the entities' property tax allocation.

COUNTY OF WINE

ERAF Shift

Redevelopment Agencies

	ERAF Payment
Blanc de Noirs	\$18,625,201
Blanc de Blancs	2,927,011
Brut	255,799
Brut Cuvee	303,137
	<u>\$22,111,148</u>

For fiscal years 2004-05 and 2005-06, redevelopment agencies will pay \$250 million to ERAF statewide.

Each agency's payment will be based on the total amount of tax increment it receives in proportion to the total amount of tax increment received by all agencies with 50% of the payment based on gross tax increment received and 50% based on net tax increment received after pass-through payments to other taxing entities.

Tax increment data for the FY 2004-05 ERAF payment will be based on the 2002-03 SCO Redevelopment Agencies Annual Financial Transactions Report.

The FY 2005-06 RDA payments will be based on the 2003-04 SCO Redevelopment Agencies Annual Financial Transactions Report.

The State Department of Finance will notify each redevelopment agency of the amount their ERAF payment.

Payments are due to county auditors on May 10, 2005 for FY 2004-05 and May 10, 2006 for FY 2005-06. If an agency fails to make its payment to ERAF, the county auditor will be required to deduct the amount from property tax allocations to the parent city or county.

Agencies can borrow from their Low and Moderate Housing Funds (but not from any fund balance) to make the ERAF payments or from their "parent" city or county.

Statutory RDA time limits can be extended by one year for each year of the ERAF payments if the existing time limit has no more than 10 years remaining or if the existing time limit is between 10 years and 20 years provided that the agency is in compliance with housing requirements.

For fiscal year 2006-07, the 2-year ERAF payments from redevelopment agencies will terminate.

COUNTY OF WINE

Schedule of ERAF Adjustments

Jurisdiction	Triple Flip	Triple Flip	VLF Swap	VLF Swap	ERAF III	ERAF Adjustment
ERAF	(28,161,485)		(138,870,279)		61,459,037	(105,572,727)
Sales & Use Tax Comp Fund	28,161,485	(28,161,485)				
VLF Property Tax Comp Fund			138,870,279	(138,870,279)		
County of Wine		1,125,000		121,652,192	(17,149,916)	105,627,276
County Library						
City of Zinfandel		2,958,396		2,880,407	(631,054)	5,207,749
City of Shiraz		2,357,314		1,530,200	(475,439)	3,412,075
City of Petite Shiraz		6,456		195,820	(29,436)	172,840
City of Merlot		12,638,620		5,581,988	(2,220,651)	15,999,957
City of Cabernet Sauvignon		9,075,699		7,029,672	(2,076,879)	14,028,492
Central Fire						
South County Fire						
Evian Water District					(2,006)	(2,006)
Dansani Water District					(147,620)	(147,620)
Mid-Peninsula Open Space					(375,010)	(375,010)
Alhambra Water District					(16,172,805)	(16,172,805)
Burgundy Cemetery District					(43,201)	(43,201)
So Wine Vly Memorial District						
Carignane Hospital District						
Pinot Noir Rec & Park District					(19,612)	(19,612)
Meritage Res Cons Dist					(4,260)	(4,260)
Blanc de Noirs RDA					(18,625,201)	(18,625,201)
Blanc de Blancs RDA					(2,927,011)	(2,927,011)
Brut RDA					(255,799)	(255,799)
Brut Cuvee RDA					(303,137)	(303,137)
TOTALS	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Redevelopment agencies will make ERAF payments directly to county auditors, due May 1.

Cities, special districts and the county ERAF adjustments will be made via the property tax apportionment process.

COUNTY OF WINE

Schedule of Reverse ERAF Necessity and Allocation

Appendix A: Schedule G

ERAF (Apportioned Tax - after RDA)	\$309,623,260
ERAF III	61,459,037
Triple Flip	(28,161,485)
VLF Swap	(138,870,279)
AB 8 Balance after Adjustments	<u><u>\$204,050,533</u></u>

If the AB 8 Balance After Adjustments is negative, then a Reverse ERAF allocation may be necessary.
 All ERAF monies should be depleted before implementing a reverse ERAF shift from non-basic aid schools.
 The sequence of ERAF transfers for Triple Flip and VLF Swap adjustments should be as follows:
 AB 8 ERAF, Supplemental ERAF, Unitary ERAF, and HOPTR ERAF.
 Only after the ERAF resources listed above have been exhausted, should an AB 8 reversal occur.
 Once an AB 8 Reverse ERAF is deemed necessary, the reverse allocation to Non-Basic Aid K - 12 schools districts is made using AB 8 factors.

The following schedule serves as an example.

Jurisdiction	Apportioned tax (after RDA)	Reverse ERAF Allocation Factors	Reverse ERAF (if applicable)
Chenin Blanc Elementary	14,407,237	0.0697316810	
Fume Blanc Elementary	45,366,495	0.2195758980	
Sauvignon Blanc Elementary	164,036	0.0007939401	
Gewurztraminer Elementary	Basic Aid		
Chardonnay Unified	73,208,745	0.3543336546	
Sauvignon Blanc High	19,719,062	0.0954411595	
Grenache Rose Comm College	47,286,094	0.2288668465	
White Zinfandel Comm College	6,457,960	0.0312568202	
County School Service	N/A		
	<u><u>206,609,628</u></u>	<u><u>1.0000000000</u></u>	

COUNTY OF WINE
Schedule of Property Tax Allocation
Option 1

Jurisdiction	Apportioned tax (after RDA)	ERAF Adjustment	Reverse ERAF (if applicable)	Net Due thru Tax Allocation	RDA Cash Payment	Net Due
ERAF	309,623,260	(127,683,875)		181,939,385	22,111,148	204,050,533
Sales & Use Tax Comp Fund				0		0
VLF Property Tax Comp Fund				0		0
County of Wine	265,025,732	105,627,276		370,653,008		370,653,008
County Library	13,918,741			13,918,741		13,918,741
City of Zinfandel	3,932,996	5,207,749		9,140,745		9,140,745
City of Shiraz	4,697,413	3,412,075		8,109,488		8,109,488
City of Petite Shiraz	389,264	172,840		562,104		562,104
City of Merlot	16,446,618	15,999,957		32,446,575		32,446,575
City of Cabernet Sauvignon	23,623,481	14,028,492		37,651,973		37,651,973
Chenin Blanc Elementary	14,407,237			14,407,237		14,407,237
Fume Blanc Elementary	45,366,495			45,366,495		45,366,495
Sauvignon Blanc Elementary	164,036			164,036		164,036
Gewurztraminer Elementary	12,039,284			12,039,284		12,039,284
Chardonnay Unified	73,208,745			73,208,745		73,208,745
Sauvignon Blanc High	19,719,062			19,719,062		19,719,062
Grenache Rose Comm College	47,286,094			47,286,094		47,286,094
White Zinfandel Comm College	6,457,960			6,457,960		6,457,960
County School Service	16,601,957			16,601,957		16,601,957
Central Fire	35,892,679			35,892,679		35,892,679
South County Fire	2,925,861			2,925,861		2,925,861
Evian Water District	5,014	(2,006)		3,008		3,008
Dansani Water District	369,050	(147,620)		221,430		221,430
Mid-Peninsula Open Space	3,750,102	(375,010)		3,375,092		3,375,092
Alhambra Water District	27,432,012	(16,172,805)		11,259,207		11,259,207
Burgundy Cemetery District	432,012	(43,201)		388,811		388,811
So Wine Valley Memorial District	75,019			75,019		75,019
Carignane Hospital District	6,623,597			6,623,597		6,623,597
Pinot Noir Recreation & Park District	196,117	(19,612)		176,505		176,505
Meritage Resource Conservation District	42,600	(4,260)		38,340		38,340
TOTALS	950,652,436	0	0	950,652,436	22,111,148	972,763,584

This Schedule of Tax Allocation is used if redevelopment agencies do not receive an AB 8 factor but are treated outside of the AB 8 allocation schedule.

The column titled "Net Due thru Tax Allocation" can be used to generate allocation factors. County auditors may prefer to treat Triple Flip and VLF allocations separately.

COUNTY OF WINE
Schedule of Property Tax Allocation
Option 2

Jurisdiction	Apportioned tax (after RDA)	ERAF Adjustment	RDA Cash Payment	Reverse ERAF (if applicable)	Net Due thru Tax Allocation	RDA Cash Payment	Net Due
ERAF	309,623,260	(105,572,727)	(22,111,148)		181,939,385	22,111,148	204,050,533
Sales & Use Tax Comp Fund					0		0
VLF Property Tax Comp Fund					0		0
County of Wine	265,025,732	105,627,276			370,653,008		370,653,008
County Library	13,918,741				13,918,741		13,918,741
City of Zinfandel	3,932,996	5,207,749			9,140,745		9,140,745
City of Shiraz	4,697,413	3,412,075			8,109,488		8,109,488
City of Petite Shiraz	389,264	172,840			562,104		562,104
City of Merlot	16,446,618	15,999,957			32,446,575		32,446,575
City of Cabernet Sauvignon	23,623,481	14,028,492			37,651,973		37,651,973
Chenin Blanc Elementary	14,407,237				14,407,237		14,407,237
Fume Blanc Elementary	45,366,495				45,366,495		45,366,495
Sauvignon Blanc Elementary	164,036				164,036		164,036
Gewurztraminer Elementary	12,039,284				12,039,284		12,039,284
Chardonnay Unified	73,208,745				73,208,745		73,208,745
Sauvignon Blanc High	19,719,062				19,719,062		19,719,062
Grenache Rose Comm College	47,286,094				47,286,094		47,286,094
White Zinfandel Comm College	6,457,960				6,457,960		6,457,960
County School Service	16,601,957				16,601,957		16,601,957
Central Fire	35,892,679				35,892,679		35,892,679
South County Fire	2,925,861				2,925,861		2,925,861
Evian Water District	5,014	(2,006)			3,008		3,008
Dansani Water District	369,050	(147,620)			221,430		221,430
Mid-Peninsula Open Space	3,750,102	(375,010)			3,375,092		3,375,092
Alhambra Water District	27,432,012	(16,172,805)			11,259,207		11,259,207
Burgundy Cemetery District	432,012	(43,201)			388,811		388,811
So Wine Valley Memorial Distr	75,019				75,019		75,019
Carignane Hospital District	6,623,597				6,623,597		6,623,597
Pinot Noir Recreation & Park D	196,117	(19,612)			176,505		176,505
Meritage Resource Conservatio	42,600	(4,260)			38,340		38,340
Blanc de Noirs RDA	35,528,146	(18,625,201)	18,625,201		35,528,146	(18,625,201)	16,902,945
Blanc de Blancs RDA	18,628,231	(2,927,011)	2,927,011		18,628,231	(2,927,011)	15,701,220
Brut RDA	2,803,017	(255,799)	255,799		2,803,017	(255,799)	2,547,218
Brut Cuvee RDA	4,081,217	(303,137)	303,137		4,081,217	(303,137)	3,778,080
TOTALS	<u>1,011,693,047</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,011,693,047</u>	<u>0</u>	<u>1,011,693,047</u>

This Schedule of Tax Allocation is used if redevelopment agencies do receive an AB 8 factor and are included within the AB 8 allocation schedule.

The column titled "Net Due thru Tax Allocation" can be used to generat allocation factors. County auditors may prefer to treat Triple Flip and VLF allocations separately.

COUNTY OF WINE
Schedule of Supplemental Roll Allocation

Jurisdiction	Apportioned tax	Triple Flip	VLF Swap	ERAf III	Subtotal	Supplemental Roll Allocation Factors
ERAf	309,623,260	N/A	(138,870,279)	N/A	170,752,981	0.1796166238
County of Wine	265,025,732	N/A	121,652,192	N/A	386,677,924	0.4067500482
County Library	13,918,741				13,918,741	0.0146412508
City of Zinfandel	3,932,996	N/A	2,880,407	N/A	6,813,403	0.0071670806
City of Shiraz	4,697,413	N/A	1,530,200	N/A	6,227,613	0.0065508829
City of Petite Shiraz	389,264	N/A	195,820	N/A	585,084	0.0006154553
City of Merlot	16,446,618	N/A	5,581,988	N/A	22,028,606	0.0231720919
City of Cabernet Sauvignon	23,623,481	N/A	7,029,672	N/A	30,653,153	0.0322443322
Chenin Blanc Elementary	14,407,237				14,407,237	0.0151551041 *
Fume Blanc Elementary	45,366,495				45,366,495	0.0477214310 *
Sauvignon Blanc Elementary	164,036				164,036	0.0001725506 *
Gewurztraminer Elementary	12,039,284				12,039,284	0.0126642330 *
Chardonnay Unified	73,208,745				73,208,745	0.0770089485 *
Sauvignon Blanc High	19,719,062				19,719,062	0.0207426623 *
Grenache Rose Comm College	47,286,094				47,286,094	0.0497406754 *
White Zinfandel Comm College	6,457,960				6,457,960	0.0067931876 *
County School Service	16,601,957				16,601,957	0.0174637504 *
Central Fire	35,892,679				35,892,679	0.0377558378
South County Fire	2,925,861				2,925,861	0.0030777404
Evian Water District	5,014				5,014	0.0000052741
Dansani Water District	369,050				369,050	0.0003882068
Mid-Peninsula Open Space	3,750,102				3,750,102	0.0039447663
Alhambra Water District	27,432,012				27,432,012	0.0288559846
Burgundy Cemetery District	432,012				432,012	0.0004544374
So Wine Valley Memorial District	75,019				75,019	0.0000789132
Carignane Hospital District	6,623,597				6,623,597	0.0069674223
Pinot Noir Rec & Park District	196,117				196,117	0.0002062973
Meritage Resource Cons District	42,600				42,600	0.0000448113
TOTALS	950,652,436	0	0	0	950,652,436	1.0000000000

* Supplemental Roll taxes are allocated to schools based on average daily attendance (ADA) provided to county auditors by the CA Dept of Education. ADA shall be deemed zero for basic aid schools.

Redevelopment agencies are not included in this schedule because any supplemental revenue derived from redevelopment agencies' tax rate areas must be given 100% to the RDA.

COUNTY OF WINE

Schedule of Unitary Allocation Factors for Excess of 102% Growth

Jurisdiction	Apportioned tax (after RDA)	Triple Flip	VLF Swap	ERAf III	Subtotal	Unitary Roll Allocation Factors
ERAf	309,623,260	N/A	(138,870,279)	N/A	170,752,981	0.1687794351
County of Wine	265,025,732	N/A	121,652,192	N/A	386,677,924	0.3822087394
County Library	13,918,741				13,918,741	0.0137578694
City of Zinfandel	3,932,996	N/A	2,880,407	N/A	6,813,403	0.0067346540
City of Shiraz	4,697,413	N/A	1,530,200	N/A	6,227,613	0.0061556346
City of Petite Shiraz	389,264	N/A	195,820	N/A	585,084	0.0005783217
City of Merlot	16,446,618	N/A	5,581,988	N/A	22,028,606	0.0217740012
City of Cabernet Sauvignon	23,623,481	N/A	7,029,672	N/A	30,653,153	0.0302988669
Chenin Blanc Elementary	14,407,237				14,407,237	0.0142407193
Fume Blanc Elementary	45,366,495				45,366,495	0.0448421532
Sauvignon Blanc Elementary	164,036				164,036	0.0001621398
Gewurztraminer Elementary	12,039,284				12,039,284	0.0119001351
Chardonnay Unified	73,208,745				73,208,745	0.0723626052
Sauvignon Blanc High	19,719,062				19,719,062	0.0194911515
Grenache Rose Comm College	47,286,094				47,286,094	0.0467395663
White Zinfandel Comm College	6,457,960				6,457,960	0.0063833199
County School Service	16,601,957				16,601,957	0.0164100731
Central Fire	35,892,679				35,892,679	0.0354778352
South County Fire	2,925,861				2,925,861	0.0028920446
Evian Water District	5,014				5,014	0.0000049559
Dansani Water District	369,050				369,050	0.0003647843
Mid-Peninsula Open Space	3,750,102				3,750,102	0.0037067584
Alhambra Water District	27,432,012				27,432,012	0.0271149556
Burgundy Cemetery District	432,012				432,012	0.0004270188
So Wine Valley Memorial District	75,019				75,019	0.0000741519
Carignane Hospital District	6,623,597				6,623,597	0.0065470421
Pinot Noir Recreation & Park Dist	196,117				196,117	0.0001938503
Meritage Resource Conservation Dist	42,600				42,600	0.0000421076
Blanc de Noirs RDA	35,528,146				35,528,146	0.0351175152
Blanc de Blancs RDA	18,628,231				18,628,231	0.0184129278
Brut RDA	2,803,017				2,803,017	0.0027706200
Brut Cuvee RDA	4,081,217				4,081,217	0.0040340467
TOTALS	1,011,693,047	0	0	0	1,011,693,047	1.0000000000

COUNTY OF WINE
Administrative Costs Apportionment Factors
For Fiscal Years 2004-05 and 2005-06

	Gross PTR AB 8 Allocation	Unitary & Operating Non-Unitary	ERAF III Adjustments (except RDA)	Total Amount Apportioned Each Fund	FY 2004-05 Tax Admin Cost Apportionment Factor	Allocate Tax Admin Costs	Recoverable	Not Recoverable
ERAF	\$ 347,852,147	\$ 42,944,709	\$ 39,347,889	\$ 430,144,745	0.31666288	\$ 5,092,994		\$ 5,092,994
County of Wine	293,165,812	36,193,310	(17,149,916)	312,209,206	0.22984139	3,696,615		3,696,615
County Library	15,432,897	1,905,296		17,338,193	0.01276399	205,287	\$ 205,287	
City of Zinfandel	45,825,147	5,657,426	(631,054)	50,851,519	0.03743574	602,091	602,091	
City of Shiraz	5,123,456	632,525	(475,439)	5,280,542	0.00388742	62,523	62,523	
City of Petite Shiraz	451,897	55,790	(29,436)	478,251	0.00035208	5,663	5,663	
City of Merlot	18,563,951	2,291,846	(2,220,651)	18,635,146	0.01371877	220,644	220,644	
City of Cabernet Sauvignon	26,789,159	3,307,304	(2,076,879)	28,019,584	0.02062739	331,757	331,757	
Chenin Blanc Elementary	15,874,132	1,959,769		17,833,901	0.01312892	211,157		211,157
Fume Blanc Elementary	49,780,055	6,145,686		55,925,741	0.04117127	662,171		662,171
Sauvignon Blanc Elementary	179,852	22,204		202,056	0.00014875	2,392		2,392
Gewurztraminer Elementary	13,121,599	1,619,950		14,741,549	0.01085240	174,543		174,543
Chardonnay Unified	81,258,963	10,031,971		91,290,934	0.06720633	1,080,902		1,080,902
Sauvignon Blanc High	21,002,589	2,592,912		23,595,501	0.01737048	279,375		279,375
Grenache Rose Comm College	51,899,562	6,407,353		58,306,915	0.04292424	690,365		690,365
White Zinfandel Comm College	7,125,896	879,740		8,005,636	0.00589357	94,788		94,788
County School Service	18,255,665	2,253,786		20,509,451	0.01509860	242,836		242,836
Central Fire	38,268,953	4,724,562		42,993,515	0.03165086	509,051	509,051	
South County Fire	3,155,885	389,615		3,545,500	0.00261012	41,979	41,979	
Evian Water District	5,154	636	(2,006)	3,784	0.00000279	45	45	
Dansani Water District	401,444	49,561	(147,620)	303,385	0.00022335	3,592	3,592	
Mid-Peninsula Open Space	4,455,669	550,083	(375,010)	4,630,742	0.00340905	54,829	54,829	
Alhambra Water District	29,885,221	3,689,533	(16,172,805)	17,401,949	0.01281092	206,042	206,042	
Burgundy Cemetery District	485,996	60,000	(43,201)	502,795	0.00037015	5,953	5,953	
So Wine Valley Memorial District	82,152	10,142		92,294	0.00006794	1,093	1,093	
Carignane Hospital District	7,255,888	895,789		8,151,677	0.00600108	96,517	96,517	
Pinot Noir Recreation & Park Dist	202,001	24,938	(19,612)	207,327	0.00015263	2,455	2,455	
Meritage Resource Conservation Dist	46,233,874	5,707,886	(4,260)	51,937,500	0.03823522	614,950	614,950	
Blanc de Noirs RDA	39,005,883	4,815,541	N/A	43,821,424	0.03226035	518,854	518,854	
Blanc de Blancs RDA	20,341,778	2,511,331	N/A	22,853,109	0.01682394	270,585	270,585	
Brut RDA	3,025,811	373,557	N/A	3,399,368	0.00250254	40,249	40,249	
Brut Cuvee RDA	4,588,361	566,464	N/A	5,154,825	0.00379487	61,034	61,034	
	<u>\$1,209,096,849</u>	<u>\$ 149,271,215</u>	<u>\$ -</u>	<u>\$ 1,358,368,064</u>	<u>1.00000000</u>	<u>\$ 16,083,331</u>	<u>\$ 3,855,193</u>	<u>\$ 12,228,138</u>

R & T Code Section 97.75 prohibits the imposition, charge, or levy of a fee for Triple Flip and VLF Swap adjustments in the property tax admin fees calculation for fiscal years 2004-05 and 2005-06. While adding the Triple Flip and VLF Swap adjustments to the schedule but not imposing the related charge to cities would be more reflective of the process (ERAF would decrease and cities and county would increase), in actuality, the net recoverable amount due to counties would not change and therefore, the adjustments are not included in this schedule.

COUNTY OF WINE
Administrative Costs Apportionment Factors
For Fiscal Years 2006-07 and Thereafter

	Gross PTR AB 8 Allocation	Unitary & Operating Non-Unitary	Triple Flip & VLF Swap Adjustments	Total Amount Apportioned Each Fund	FY 2006-07 Tax Admin Cost Apportionment Factor	Allocate Tax Admin Costs	Recoverable	Not Recoverable
ERAF	\$ 347,852,147	\$ 42,944,709	\$ (167,031,764)	\$ 223,765,092	0.16473083	\$ 2,649,420		\$ 2,649,420
County of Wine	293,165,812	36,193,310	122,777,192	452,136,314	0.33285258	5,353,378		5,353,378
County Library	15,432,897	1,905,296		17,338,193	0.01276399	205,287	\$ 205,287	
City of Zinfandel	45,825,147	5,657,426	5,838,803	57,321,376	0.04219871	678,696	678,696	
City of Shiraz	5,123,456	632,525	3,887,514	9,643,495	0.00709932	114,181	114,181	
City of Petite Shiraz	451,897	55,790	202,276	709,963	0.00052266	8,406	8,406	
City of Merlot	18,563,951	2,291,846	18,220,608	39,076,405	0.02876717	462,672	462,672	
City of Cabernet Sauvignon	26,789,159	3,307,304	16,105,371	46,201,834	0.03401275	547,038	547,038	
Chenin Blanc Elementary	15,874,132	1,959,769		17,833,901	0.01312892	211,157		211,157
Fume Blanc Elementary	49,780,055	6,145,686		55,925,741	0.04117127	662,171		662,171
Sauvignon Blanc Elementary	179,852	22,204		202,056	0.00014875	2,392		2,392
Gewurztraminer Elementary	13,121,599	1,619,950		14,741,549	0.01085240	174,543		174,543
Chardonnay Unified	81,258,963	10,031,971		91,290,934	0.06720633	1,080,902		1,080,902
Sauvignon Blanc High	21,002,589	2,592,912		23,595,501	0.01737048	279,375		279,375
Grenache Rose Comm College	51,899,562	6,407,353		58,306,915	0.04292424	690,365		690,365
White Zinfandel Comm College	7,125,896	879,740		8,005,636	0.00589357	94,788		94,788
County School Service	18,255,665	2,253,786		20,509,451	0.01509860	242,836		242,836
Central Fire	38,268,953	4,724,562		42,993,515	0.03165086	509,051	509,051	
South County Fire	3,155,885	389,615		3,545,500	0.00261012	41,979	41,979	
Evian Water District	5,154	636		5,790	0.00000426	69	69	
Dansani Water District	401,444	49,561		451,005	0.00033202	5,340	5,340	
Mid-Peninsula Open Space	4,455,669	550,083		5,005,752	0.00368512	59,269	59,269	
Alhambra Water District	29,885,221	3,689,533		33,574,754	0.02471698	397,531	397,531	
Burgundy Cemetery District	485,996	60,000		545,996	0.00040195	6,465	6,465	
So Wine Valley Memorial District	82,152	10,142		92,294	0.00006794	1,093	1,093	
Carignane Hospital District	7,255,888	895,789		8,151,677	0.00600108	96,517	96,517	
Pinot Noir Recreation & Park Dist	202,001	24,938		226,939	0.00016707	2,687	2,687	
Meritage Resource Conservation L	46,233,874	5,707,886		51,941,760	0.03823835	615,000	615,000	
Blanc de Noirs RDA	39,005,883	4,815,541		43,821,424	0.03226035	518,854	518,854	
Blanc de Blancs RDA	20,341,778	2,511,331		22,853,109	0.01682394	270,585	270,585	
Brut RDA	3,025,811	373,557		3,399,368	0.00250254	40,249	40,249	
Brut Cuvee RDA	4,588,361	566,464		5,154,825	0.00379487	61,034	61,034	
	<u>\$1,209,096,849</u>	<u>\$149,271,215</u>	<u>\$0</u>	<u>\$1,358,368,064</u>	<u>1.00000000</u>	<u>\$16,083,331</u>	<u>\$4,642,004</u>	<u>\$11,441,327</u>

R & T Code Section 97.75 prohibits the inclusion of Triple Flip and VLF Swap adjustments in the property tax admin fees calculation for fiscal years 2004-05 and 2005-06. For fiscal year 2006-07 and subsequent years, the Triple Flip and VLF Swap adjustment amounts will be included in the property tax admin fee calculation.

**Estimated Countywide Adjustment Amount
to be Deposited for 2004-05 in the
Sales and Use Tax Compensation Fund by County**

Appendix B

County	2004-05 Estimated Countywide Adj.
Alameda	51,533,571
Alpine	42,786
Amador	1,006,008
Butte	5,742,211
Calaveras	732,102
Colusa	527,171
Contra Costa	29,484,078
Del Norte	458,013
El Dorado	3,804,086
Fresno	24,999,279
Glenn	760,715
Humboldt	3,451,256
Imperial	3,890,630
Inyo	615,622
Kern	19,740,346
Kings	2,218,624
Lake	1,135,107
Lassen	574,829
Los Angeles	280,596,109
Madera	2,565,143
Marin	9,154,321
Mariposa	306,882
Mendocino	2,519,985
Merced	5,105,089
Modoc	131,681
Mono	553,323
Monterey	10,843,697
Napa	4,647,604
Nevada	2,690,880
Orange	119,744,136
Placer	15,316,525
Plumas	480,235
Riverside	59,224,050
Sacramento	47,035,787
San Benito	1,081,531
San Bernardino	58,279,430
San Diego	102,088,027
San Francisco	27,201,563
San Joaquin	19,885,678
San Luis Obispo	8,243,348
San Mateo	25,489,463
Santa Barbara	12,570,810
Santa Clara	63,862,615
Santa Cruz	6,481,106
Shasta	5,788,494
Sierra	36,348
Siskiyou	976,682
Solano	12,728,959
Sonoma	16,192,095
Stanislaus	15,420,972
Sutter	2,637,626
Tehama	1,396,842
Trinity	152,022
Tulare	8,935,149
Tuolumne	1,396,218
Ventura	26,048,248
Yolo	6,350,286
Yuba	1,124,607
Total	1,136,000,000

**Estimated Countywide Adjustment Amount
Alameda County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
01998	Alameda County	12,661,881	5.745%	2,960,732
01010	Alameda	5,550,861	2.52%	1,297,960
01001	Albany	1,260,270	0.57%	294,689
01020	Berkeley	13,291,175	6.03%	3,107,880
01013	Dublin	13,745,326	6.24%	3,214,075
01002	Emeryville	7,241,062	3.29%	1,693,180
01009	Fremont	25,289,282	11.47%	5,913,402
01003	Hayward	26,730,310	12.13%	6,250,358
01004	Livermore	17,671,453	8.02%	4,132,122
01008	Newark	12,119,952	5.50%	2,834,013
01060	Oakland	37,668,684	17.09%	8,808,082
01005	Piedmont	160,996	0.07%	37,646
01006	Pleasanton	19,738,928	8.96%	4,615,561
01007	San Leandro	20,416,847	9.26%	4,774,079
01011	Union City	6,841,676	3.10%	1,599,792
	TOTAL	220,388,704		51,533,571

Estimated Countywide Adjustment Amount
Alpine County
2004-05

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
02998	Alpine County	186,335	100.00%	42,786

**Estimated Countywide Adjustment Amount
Amador County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
03998	Amador County	2,291,762	54.82%	551,518
03051	Amador	13,990	0.33%	3,367
03055	Ione	128,560	3.08%	30,938
03052	Jackson	1,227,028	29.35%	295,287
03053	Plymouth	132,248	3.16%	31,826
03054	Sutter Creek	386,747	9.25%	93,072
	TOTAL	4,180,335		1,006,008

Appendix B**Estimated Countywide Adjustment Amount
Butte County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
04998	Butte County	3,844,842	16.07%	923,043
04001	Biggs	20,656	0.09%	4,959
04002	Chico	14,771,702	61.76%	3,546,289
04003	Gridley	847,889	3.54%	203,556
04004	Oroville	2,909,722	12.17%	698,546
04005	Paradise	1,523,778	6.37%	365,818
	TOTAL	23,918,589		5,742,211

Appendix B**Estimated Countywide Adjustment Amount
Calaveras County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
05998	Calaveras County	2,215,343	75.59%	553,422
05031	Angels Camp	715,256	24.41%	178,680
	TOTAL	2,930,599		732,102

Appendix B**Estimated Countywide Adjustment Amount
Colusa County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
06998	Colusa County	778,180	35.37%	186,451
06047	Colusa County	930,164	42.28%	222,866
06048	Williams	491,882	22.36%	117,854
	TOTAL	2,200,225		527,171

**Estimated Countywide Adjustment Amount
Contra Costa County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
07998	Contra Costa County	10,417,973	8.29%	2,444,747
07031	Antioch	9,117,746	7.26%	2,139,627
07041	Brentwood	2,837,075	2.26%	665,766
07044	Clayton	367,068	0.29%	86,138
07032	Concord	28,328,569	22.55%	6,647,759
07046	Danville	3,955,483	3.15%	928,218
07033	El Cerrito	3,214,975	2.56%	754,446
07034	Hercules	919,618	0.73%	215,803
07040	Lafayette	2,312,983	1.84%	542,779
07035	Martinez	3,789,579	3.02%	889,286
07045	Moraga	749,641	0.60%	175,915
07050	Oakley	1,020,484	0.81%	239,473
07047	Orinda	811,519	0.65%	190,436
07036	Pinole	3,217,736	2.56%	755,094
07037	Pittsburg	6,671,525	5.31%	1,565,582
07043	Pleasant Hill	6,694,506	5.33%	1,570,975
07038	Richmond	11,622,980	9.25%	2,727,521
07042	San Pablo	1,713,816	1.36%	402,175
07048	San Ramon	8,143,989	6.48%	1,911,119
07039	Walnut Creek	19,735,343	15.71%	4,631,219
	TOTAL	125,642,608		29,484,078

Appendix B**Estimated Countywide Adjustment Amount
Del Norte County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
08998	Del Norte County	1,003,502	51.59%	236,276
08071	Crescent City	941,755	48.41%	221,737
	TOTAL	1,945,257		458,013

Appendix B

**Estimated Countywide Adjustment Amount
El Dorado County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
09998	El Dorado County	8,700,801	55.03%	2,093,326
09091	Placerville	3,320,545	21.00%	798,890
09092	South Lake Tahoe	3,790,138	23.97%	911,870
	TOTAL	15,811,484		3,804,086

**Estimated Countywide Adjustment Amount
Fresno County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
10998	Fresno County	15,706,779	15.58%	3,893,984
10001	Clovis	11,880,894	11.78%	2,945,480
1002	Coalinga	757,100	0.75%	187,698
10003	Firebaugh	560,376	0.56%	138,927
10004	Fowler	839,660	0.83%	208,166
10060	Fresno	61,848,563	61.34%	15,333,334
10014	Huron	147,496	0.15%	36,567
10010	Kerman	624,057	0.62%	154,714
10005	Kingsburg	654,516	0.65%	162,266
10011	Mendota	342,470	0.34%	84,904
10013	Orange Cove	136,415	0.14%	33,820
10006	Parlier	293,951	0.29%	72,876
10007	Reedley	1,308,719	1.30%	324,454
10012	San Joaquin	126,836	0.13%	31,445
10008	Sanger	1,513,208	1.50%	375,151
10009	Selma	4,096,095	4.06%	1,015,493
	TOTAL	100,837,134		24,999,279

Appendix B**Estimated Countywide Adjustment Amount
Glenn County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
11998	Glenn County	1,185,480	42.49%	323,210
11071	Orland	747,563	26.79%	203,816
11072	Willows	857,133	30.72%	233,689
	TOTAL	2,790,175		760,715

Appendix B

**Estimated Countywide Adjustment Amount
Humboldt County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
12998	Humboldt County	3,125,885	21.69%	748,587
12011	Arcata	1,606,678	11.15%	384,767
12012	Blue Lake	40,008	0.28%	9,581
12013	Eureka	8,089,489	56.13%	1,937,271
12014	Ferndale	129,503	0.90%	31,014
12015	Fortuna	1,259,108	8.74%	301,531
12017	Rio Dell	81,603	0.57%	19,542
12016	Trinidad	79,183	0.55%	18,963
	TOTAL	14,411,457		3,451,256

Appendix B**Estimated Countywide Adjustment Amount
Imperial County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
13998	Imperial County	1,686,421	10.55%	410,411
13021	Brawley	1,570,978	9.83%	382,317
13022	Calexico	4,302,374	26.91%	1,047,035
13023	Calipatria	98,483	0.62%	23,967
13024	El Centro	7,053,567	44.12%	1,716,571
13025	Holtville	140,988	0.88%	34,311
13026	Imperial	1,016,764	6.36%	247,442
13027	Westmoreland	117,424	0.73%	28,576
	TOTAL	15,986,998		3,890,630

Estimated County SUTCF 3,890,630

**Estimated Countywide Adjustment Amount
Inyo County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
14998	Inyo County	949,190	35.75%	220,115
14071	Bishop	1,705,523	64.25%	395,507
	TOTAL	2,654,713		615,622

Appendix B

**Estimated Countywide Adjustment Amount
Kern County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
15998	Kern County	23,507,948	28.56%	5,637,732
15029	Arvin	418,878	0.51%	100,456
15021	Bakersfield	48,055,222	58.38%	11,524,718
15031	California City	214,903	0.26%	51,538
15022	Delano	2,480,210	3.01%	594,810
15023	Maricopa	18,809	0.02%	4,511
15028	McFarland	175,578	0.21%	42,107
15030	Ridgecrest	2,571,360	3.12%	616,670
15026	Shafter	1,814,822	2.20%	435,235
15024	Taft	1,220,447	1.48%	292,691
15025	Tehachapi	1,010,526	1.23%	242,347
15027	Wasco	823,657	1.00%	197,531
	TOTAL	82,312,359		19,740,346

**Estimated Countywide Adjustment Amount
Kings County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
16998	Kings County	1,520,812	15.01%	333,042
16034	Avenal	136,530	1.35%	29,899
16031	Corcoran	778,526	7.68%	170,489
16032	Hanford	6,058,273	59.80%	1,326,701
16033	Lemoore	1,637,029	16.16%	358,493
	TOTAL	10,131,170		2,218,624

**Estimated Countywide Adjustment Amount
Lake County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
17998	Lake County	2,364,699	49.94%	566,886
17042	Clearlake	1,090,720	23.04%	261,477
17041	Lakeport	1,279,545	27.02%	306,744
	TOTAL	4,734,964		1,135,107

**Estimated Countywide Adjustment Amount
Lassen County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
18998	Lassen County	913,187	36.26%	208,421
18051	Susanville	1,605,405	63.74%	366,408
	TOTAL	2,518,593		574,829

**Estimated Countywide Adjustment Amount
Los Angeles County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
19998	Los Angeles County	45,454,379	3.88%	10,893,651
19089	Agoura Hills	3,097,707	0.26%	742,400
19001	Alhambra	12,037,085	1.03%	2,884,822
19002	Arcadia	7,701,609	0.66%	1,845,777
19072	Artesia	1,983,928	0.17%	475,470
19003	Avalon	658,320	0.06%	157,774
19004	Azusa	4,116,948	0.35%	986,673
19043	Baldwin Park	4,689,901	0.40%	1,123,987
19005	Bell	2,405,726	0.21%	576,559
19092	Bell Gardens	1,447,729	0.12%	346,964
19065	Bellflower	5,518,768	0.47%	1,322,635
19006	Beverly Hills	19,995,050	1.71%	4,792,038
19063	Bradbury	8,636	0.00%	2,070
19007	Burbank	25,850,125	2.21%	6,195,272
19103	Calabasas	4,879,790	0.42%	1,169,496
19084	Carson	20,483,879	1.75%	4,909,191
19044	Cerritos	26,468,483	2.26%	6,343,468
19008	Claremont	4,806,284	0.41%	1,151,880
19075	Commerce	11,466,228	0.98%	2,748,010
19009	Compton	4,651,806	0.40%	1,114,857
19010	Covina	8,120,545	0.69%	1,946,180
19079	Cudahy	1,311,358	0.11%	314,282
19011	Culver City	16,009,951	1.37%	3,836,964
19102	Diamond Bar	3,139,701	0.27%	752,464
19046	Downey	12,986,493	1.11%	3,112,358
19061	Duarte	4,289,384	0.37%	1,027,999
19012	El Monte	17,583,367	1.50%	4,214,051
19013	El Segundo	8,281,079	0.71%	1,984,653
19014	Gardena	7,897,288	0.67%	1,892,673
19070	Glendale	28,387,771	2.42%	6,803,447
19015	Glendora	6,735,606	0.58%	1,614,263
19082	Hawaiian Gardens	589,726	0.05%	141,335
19016	Hawthorne	9,390,183	0.80%	2,250,462
19017	Hermosa Beach	2,589,096	0.22%	620,506
19081	Hidden Hills	17,333	0.00%	4,154
19018	Huntington Park	5,507,461	0.47%	1,319,925
19062	Industry	28,007,880	2.39%	6,712,402
19019	Inglewood	8,178,601	0.70%	1,960,093
19064	Irwindale	3,847,719	0.33%	922,149
19086	La Canada-Flintridge	1,885,980	0.16%	451,996
19087	La Habra Heights	39,786	0.00%	9,535
19076	La Mirada	9,028,042	0.77%	2,163,671
19045	La Puente	2,517,419	0.22%	603,328
19020	La Verne	3,239,279	0.28%	776,329
19042	Lakewood	10,820,133	0.92%	2,593,166
19093	Lancaster	16,113,388	1.38%	3,861,754
19074	Lawndale	2,303,655	0.20%	552,097

**Estimated Countywide Adjustment Amount
Los Angeles County
2004-05**

19083	Lomita	1,369,850	0.12%	328,300
19060	Long Beach	41,231,248	3.52%	9,881,530
19050	Los Angeles	378,433,209	32.32%	90,695,756
19021	Lynwood	2,788,158	0.24%	668,213
19053	Malibu	2,243,759	0.19%	537,742
19022	Manhattan Beach	7,237,401	0.62%	1,734,524
19023	Maywood	853,869	0.07%	204,639
19024	Monrovia	7,926,308	0.68%	1,899,628
19025	Montebello	9,818,259	0.84%	2,353,056
19026	Monterey Park	4,955,758	0.42%	1,187,703
19066	Norwalk	8,397,559	0.72%	2,012,569
19094	Palmdale	15,231,945	1.30%	3,650,506
19027	Palos Verdes Estates	241,262	0.02%	57,821
19048	Paramount	5,899,248	0.50%	1,413,821
19080	Pasadena	31,749,083	2.71%	7,609,023
19068	Pico Rivera	6,385,465	0.55%	1,530,348
19028	Pomona	13,170,536	1.12%	3,156,467
19085	Rancho Palos Verdes	1,014,060	0.09%	243,031
19029	Redondo Beach	8,505,464	0.73%	2,038,430
19047	Rolling Hills	-	0.00%	-
19067	Rolling Hills Estates	1,489,180	0.13%	356,899
19073	Rosemead	3,134,918	0.27%	751,318
19078	San Dimas	4,747,240	0.41%	1,137,729
19030	San Fernando	4,620,669	0.39%	1,107,395
19031	San Gabriel	3,583,873	0.31%	858,915
19032	San Marino	436,370	0.04%	104,581
19101	Santa Clarita	26,998,273	2.31%	6,470,439
19049	Santa Fe Springs	21,279,905	1.82%	5,099,968
19033	Santa Monica	27,444,859	2.34%	6,577,468
19034	Sierra Madre	221,785	0.02%	53,153
19035	Signal Hill	10,528,005	0.90%	2,523,154
19069	South El Monte	3,739,486	0.32%	896,210
19036	South Gate	6,854,087	0.59%	1,642,659
19037	South Pasadena	1,514,090	0.13%	362,869
19077	Temple City	1,396,320	0.12%	334,644
19038	Torrance	38,239,529	3.27%	9,164,531
19039	Vernon	4,965,403	0.42%	1,190,014
19071	Walnut	1,482,161	0.13%	355,216
19040	West Covina	13,610,958	1.16%	3,262,019
19054	West Hollywood	8,575,248	0.73%	2,055,154
19088	Westlake Village	2,781,537	0.24%	666,627
19041	Whittier	9,166,314	0.78%	2,196,810
	TOTAL	1,170,803,254		280,596,109

**Estimated Countywide Adjustment Amount
Madera County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
20998	Madera County	4,801,637	46.62%	1,195,803
20041	Chowchilla	821,235	7.97%	204,521
20042	Madera	4,677,225	45.41%	1,164,819
	TOTAL	10,300,098		2,565,143

**Estimated Countywide Adjustment Amount
Madera County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
20998	Madera County	4,801,637	46.62%	1,195,803
20041	Chowchilla	821,235	7.97%	204,521
20042	Madera	4,677,225	45.41%	1,164,819
	TOTAL	10,300,098		2,565,143

**Estimated Countywide Adjustment Amount
Marin County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
21998	Marin County	3,294,440	8.34%	763,140
21021	Belvedere	76,133	0.19%	17,636
21022	Corte Madera	5,069,989	12.83%	1,174,437
21023	Fairfax	351,445	0.89%	81,410
21024	Larkspur	2,108,620	5.34%	488,451
21025	Mill Valley	2,017,284	5.10%	467,293
21030	Novato	6,662,145	16.86%	1,543,251
21026	Ross	51,635	0.13%	11,961
21027	San Anselmo	931,680	2.36%	215,819
21028	San Rafael	17,199,466	43.52%	3,984,167
21029	Sausalito	1,250,934	3.17%	289,772
21031	Tiburon	505,014	1.28%	116,984
	TOTAL	39,518,783		9,154,321

Estimated Countywide Adjustment Amount
Mariposa County
2004-05

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
22998	Mariposa County	1,362,726	100.00%	306,882

Appendix B**Estimated Countywide Adjustment Amount
Mendocino County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
23998	Mendocino County	4,334,056	40.05%	1,009,367
23031	Fort Bragg	1,602,538	14.81%	373,218
23032	Point Arena	43,259	0.40%	10,075
23033	Ukiah	3,814,784	35.26%	888,432
23034	Willits	1,025,769	9.48%	238,893
	TOTAL	10,820,406		2,519,985

Appendix B**Estimated Countywide Adjustment Amount
Merced County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
24998	Merced County	5,125,975	24.66%	1,259,021
24021	Atwater	1,531,771	7.37%	376,227
24026	Dos Palos	285,069	1.37%	70,018
24022	Gustine	245,197	1.18%	60,224
24023	Livingston	604,042	2.91%	148,362
24024	Los Banos	2,615,445	12.58%	642,395
24025	Merced	10,377,353	49.93%	2,548,842
	TOTAL	20,784,853		5,105,089

Appendix B**Estimated Countywide Adjustment Amount
Modoc County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
25998	Modoc County	141,782	24.72%	32,556
25071	Alturas	431,689	75.28%	99,125
	TOTAL	573,471		131,681

**Estimated Countywide Adjustment Amount
Mono County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
26998	Mono County	409,854	17.42%	96,378
26001	Mammoth Lakes	1,943,186	82.58%	456,945
	TOTAL	2,353,040		553,323

**Estimated Countywide Adjustment Amount
Monterey County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
27998	Monterey County	6,643,575	13.80%	1,496,952
27041	Carmel	1,880,529	3.91%	423,727
27049	Del Rey Oaks	200,349	0.42%	45,143
27047	Gonzales	345,836	0.72%	77,925
27048	Greenfield	571,397	1.19%	128,749
27042	King City	983,902	2.04%	221,696
27073	Marina	1,045,958	2.17%	235,679
27043	Monterey	6,379,462	13.26%	1,437,442
27044	Pacific Grove	1,529,904	3.18%	344,723
27045	Salinas	20,683,583	42.98%	4,660,494
27072	Sand City	2,534,828	5.27%	571,156
27071	Seaside	4,965,615	10.32%	1,118,869
27046	Soledad	360,116	0.75%	81,142
	TOTAL	48,125,053		10,843,697

**Estimated Countywide Adjustment Amount
Napa County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
28998	Napa County	5,602,550	27.35%	1,271,287
28055	American Canyon	1,195,433	5.84%	271,258
28051	Calistoga	647,870	3.16%	147,010
28052	Napa	10,469,076	51.11%	2,375,561
28053	St. Helena	2,121,079	10.36%	481,299
28054	Yountville	445,940	2.18%	101,189
	TOTAL	20,481,949		4,647,604

**Estimated Countywide Adjustment Amount
Nevada County
2004-05**

		Local Tax Allocations 2003-04 *	Percent of Total	Estimated Countywide Adj. 2004-05
29998	Nevada County	3,124,798	28.16%	757,801
29031	Grass Valley	4,177,854	37.65%	1,013,179
29032	Nevada City	1,178,213	10.62%	285,731
29033	Truckee	2,615,003	23.57%	634,169
	TOTAL	11,095,868		2,690,880

Estimated County SUTCF 2,690,880

**Estimated Countywide Adjustment Amount
Orange County
2004-05**

Appendix B

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
30998	Orange County	6,027,888	1.23%	1,471,285
30044	Aliso Viejo	3,158,463	0.64%	770,917
30011	Anaheim	53,753,722	10.96%	13,120,193
30012	Brea	14,877,224	3.03%	3,631,228
30023	Buena Park	14,716,198	3.00%	3,591,925
30024	Costa Mesa	39,785,288	8.11%	9,710,781
30028	Cypress	10,351,880	2.11%	2,526,684
30041	Dana Point	3,949,903	0.81%	964,091
30031	Fountain Valley	9,563,576	1.95%	2,334,275
30013	Fullerton	16,193,202	3.30%	3,952,432
30027	Garden Grove	18,351,495	3.74%	4,479,227
30014	Huntington Beach	24,846,790	5.06%	6,064,597
30036	Irvine	47,938,129	9.77%	11,700,724
30016	La Habra	8,062,800	1.64%	1,967,966
30025	La Palma	4,246,650	0.87%	1,036,521
30015	Laguna Beach	3,730,835	0.76%	910,621
30038	Laguna Hills	6,739,271	1.37%	1,644,919
30040	Laguna Niguel	10,721,121	2.19%	2,616,808
30042	Laguna Woods	914,074	0.19%	223,107
30037	Lake Forest	12,173,381	2.48%	2,971,275
30032	Los Alamitos	2,523,068	0.51%	615,830
30039	Mission Viejo	15,332,656	3.13%	3,742,390
30017	Newport Beach	21,877,390	4.46%	5,339,827
30030	Orange	29,660,775	6.05%	7,239,593
30018	Placentia	5,508,304	1.12%	1,344,465
30043	Rancho Santa Margarita	5,513,468	1.12%	1,345,726
30019	San Clemente	5,780,886	1.18%	1,410,997
30033	San Juan Capistrano	7,923,082	1.61%	1,933,864
30020	Santa Ana	40,230,929	8.20%	9,819,553
30021	Seal Beach	2,951,079	0.60%	720,298
30026	Stanton	3,359,927	0.68%	820,090
30022	Tustin	17,997,607	3.67%	4,392,851
30034	Villa Park	153,283	0.03%	37,413
30029	Westminster	15,637,029	3.19%	3,816,682
30035	Yorba Linda	6,043,028	1.23%	1,474,981
	TOTAL	490,594,399		119,744,136

Appendix B**Estimated Countywide Adjustment Amount
Placer County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
31998	Placer County	12,338,599	19.98%	3,060,265
31011	Auburn	2,767,218	4.48%	686,335
31012	Colfax	599,182	0.97%	148,611
31013	Lincoln	1,201,233	1.95%	297,934
31016	Loomis	951,255	1.54%	235,934
31014	Rocklin	6,135,913	9.94%	1,521,852
31015	Roseville	37,760,888	61.15%	9,365,594
	TOTAL	61,754,287		15,316,525

**Estimated Countywide Adjustment Amount
Plumas County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
32998	Plumas County	1,881,309	90.37%	433,998
32041	Portola	200,429	9.63%	46,237
	TOTAL	2,081,737		480,235

**Estimated Countywide Adjustment Amount
Riverside County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
33998	Riverside County	26,337,928	11.52%	6,822,404
33041	Banning	2,132,582	0.93%	552,410
33042	Beaumont	1,300,173	0.57%	336,788
33043	Blythe	1,536,516	0.67%	398,009
33064	Calimesa	396,014	0.17%	102,581
33063	Canyon Lake	130,648	0.06%	33,842
33059	Cathedral City	9,229,931	4.04%	2,390,861
33051	Coachella	2,156,483	0.94%	558,601
33044	Corona	28,365,741	12.41%	7,347,675
33054	Desert Hot Springs	829,177	0.36%	214,785
33046	Hemet	8,909,676	3.90%	2,307,904
33056	Indian Wells	762,836	0.33%	197,600
33047	Indio	6,912,241	3.02%	1,790,502
33060	La Quinta	5,145,137	2.25%	1,332,763
33045	Lake Elsinore	5,036,547	2.20%	1,304,634
33061	Moreno Valley	11,801,634	5.16%	3,057,018
33065	Murrieta	8,308,067	3.63%	2,152,067
33055	Norco	5,604,524	2.45%	1,451,759
33058	Palm Desert	14,968,583	6.55%	3,877,363
33052	Palm Springs	7,743,860	3.39%	2,005,919
33048	Perris	4,945,173	2.16%	1,280,965
33057	Rancho Mirage	4,584,057	2.00%	1,187,424
33050	Riverside	45,533,084	19.92%	11,794,591
33049	San Jacinto	1,097,442	0.48%	284,274
33062	Temecula	24,866,715	10.88%	6,441,311
	TOTAL	228,634,770		59,224,050

Appendix B

**Estimated Countywide Adjustment Amount
Sacramento County
2004-05**

		Local Tax Allocations 2003-04 *	Percent of Total	Estimated Countywide Adj. 2004-05
34998	Sacramento County	75,844,845	39.49%	18,575,529
34012	Citrus Heights	12,138,439	6.32%	2,972,884
34013	Elk Grove	13,924,589	7.25%	3,410,339
34003	Folsom	17,330,330	9.02%	4,244,455
34004	Galt	1,097,859	0.57%	268,882
34001	Isleton	185,488	0.10%	45,429
34014	Rancho Cordova	9,122,926	4.75%	2,234,340
34060	Sacramento	62,405,070	32.49%	15,283,929
	TOTAL	192,049,546		47,035,787

Estimated County SUTCF 47,035,787

Appendix B**Estimated Countywide Adjustment Amount
San Benito County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
35998	San Benito County	1,238,009	25.23%	272,840
35031	Hollister	3,520,610	71.74%	775,894
35032	San Juan Bautista	148,816	3.03%	32,797
	TOTAL	4,907,435		1,081,531

**Estimated Countywide Adjustment Amount
San Bernardino County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
36998	San Bernardino County	16,548,328	7.05%	4,107,269
36074	Adelanto	1,029,693	0.44%	255,568
36079	Apple Valley	2,750,231	1.17%	682,603
36008	Barstow	4,534,736	1.93%	1,125,514
36081	Big Bear Lake	1,854,908	0.79%	460,385
36001	Chino	14,635,827	6.23%	3,632,590
36085	Chino Hills	3,826,456	1.63%	949,720
36002	Colton	7,776,147	3.31%	1,930,028
36009	Fontana	16,344,602	6.96%	4,056,705
36078	Grand Terrace	796,257	0.34%	197,630
36082	Hesperia	4,872,185	2.07%	1,209,269
36084	Highland	1,120,350	0.48%	278,069
36073	Loma Linda	2,188,681	0.93%	543,227
36071	Montclair	12,281,559	5.23%	3,048,264
36003	Needles	444,924	0.19%	110,429
36004	Ontario	47,641,360	20.29%	11,824,512
36075	Rancho Cucamonga	16,328,985	6.95%	4,052,829
36005	Redlands	10,094,953	4.30%	2,505,552
36006	Rialto	8,034,875	3.42%	1,994,244
36060	San Bernardino	32,057,442	13.65%	7,956,607
36083	Twentynine Palms	761,941	0.32%	189,112
36007	Upland	7,963,494	3.39%	1,976,527
36072	Victorville	16,278,013	6.93%	4,040,178
36076	Yucaipa	2,144,996	0.91%	532,385
36077	Yucca Valley	2,498,864	1.06%	620,214
	TOTAL	234,809,806		58,279,430

**Estimated Countywide Adjustment Amount
San Diego County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
37998	San Diego County	20,478,740	4.86%	4,962,089
37008	Carlsbad	24,476,209	5.81%	5,930,694
37001	Chula Vista	21,185,193	5.03%	5,133,266
37002	Coronado	1,996,612	0.47%	483,788
37010	Del Mar	1,373,504	0.33%	332,806
37003	El Cajon	21,807,760	5.18%	5,284,117
37018	Encinitas	10,688,682	2.54%	2,589,915
37004	Escondido	29,086,104	6.90%	7,047,692
37009	Imperial Beach	700,736	0.17%	169,791
37005	La Mesa	11,710,480	2.78%	2,837,501
37094	Lemon Grove	4,452,773	1.06%	1,078,927
37006	National City	15,928,080	3.78%	3,859,444
37007	Oceanside	14,559,262	3.46%	3,527,774
37012	Poway	10,547,783	2.50%	2,555,775
37060	San Diego	199,005,686	47.23%	48,219,959
37011	San Marcos	12,577,866	2.99%	3,047,672
37013	Santee	6,763,922	1.61%	1,638,928
37014	Solana Beach	2,633,247	0.62%	638,047
37095	Vista	11,348,707	2.69%	2,749,842
	TOTAL	421,321,345		102,088,027

**Estimated Countywide Adjustment Amount
San Francisco County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
38001	San Francisco	117,858,342	100.00%	27,201,563

**Estimated Countywide Adjustment Amount
San Joaquin County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
39998	San Joaquin County	13,729,349	16.96%	3,372,176
39005	Escalon	798,434	0.99%	196,110
39006	Lathrop	2,519,898	3.11%	618,932
39001	Lodi	8,523,667	10.53%	2,093,566
39002	Manteca	7,066,793	8.73%	1,735,732
39004	Ripon	1,928,447	2.38%	473,661
39060	Stockton	35,622,195	44.00%	8,749,454
39003	Tracy	10,773,017	13.31%	2,646,047
	TOTAL	80,961,799		19,885,678

**Estimated Countywide Adjustment Amount
San Luis Obispo County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
40998	San Luis Obispo County	6,324,491	18.30%	1,508,627
40021	Arroyo Grande	3,189,110	9.23%	760,721
40027	Atascadero	3,496,798	10.12%	834,117
40022	Paso Robles	6,159,499	17.82%	1,469,270
40025	Grover Beach	913,317	2.64%	217,860
40026	Morro Bay	1,390,553	4.02%	331,699
40024	Pismo Beach	1,769,605	5.12%	422,117
40023	San Luis Obispo	11,314,531	32.74%	2,698,937
	TOTAL	34,557,902		8,243,348

**Estimated Countywide Adjustment Amount
San Mateo County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
41998	San Mateo County	14,318,924	12.55%	3,199,682
41011	Atherton	86,970	0.08%	19,434
41013	Belmont	2,491,214	2.18%	556,682
41027	Brisbane	2,609,111	2.29%	583,027
41014	Burlingame	8,636,008	7.57%	1,929,787
41012	Colma	7,897,564	6.92%	1,764,776
41015	Daly City	7,812,734	6.85%	1,745,820
41030	East Palo Alto	2,229,394	1.95%	498,176
41029	Foster City	3,697,529	3.24%	826,243
41026	Half Moon Bay	1,615,217	1.42%	360,934
41016	Hillsborough	75,842	0.07%	16,948
41017	Menlo Park	5,847,181	5.13%	1,306,601
41023	Millbrae	1,941,906	1.70%	433,935
41025	Pacifica	1,298,436	1.14%	290,146
41028	Portola Valley	78,348	0.07%	17,508
41018	Redwood City	15,473,249	13.56%	3,457,625
41019	San Bruno	5,712,510	5.01%	1,276,507
41020	San Carlos	5,732,756	5.03%	1,281,031
41021	San Mateo	15,185,386	13.31%	3,393,299
41022	South San Francisco	10,993,969	9.64%	2,456,693
41024	Woodside	333,884	0.29%	74,609
	TOTAL	114,068,131		25,489,463

**Estimated Countywide Adjustment Amount
Santa Barbara County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
42998	Santa Barbara County	9,084,082	16.97%	2,133,807
42007	Buellton	1,502,652	2.81%	352,966
42004	Carpinteria	1,174,015	2.19%	275,770
42008	Goleta	3,591,236	6.71%	843,564
42003	Guadalupe	240,919	0.45%	56,591
42001	Lompoc	3,416,479	6.38%	802,515
42060	Santa Barbara	18,001,540	33.64%	4,228,476
42002	Santa Maria	15,534,998	29.03%	3,649,097
42006	Solvang	970,748	1.81%	228,024
	TOTAL	53,516,669		12,570,810

**Estimated Countywide Adjustment Amount
Santa Clara County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
43998	Santa Clara County	4,230,233	1.53%	980,137
43008	Campbell	10,540,729	3.82%	2,442,267
43012	Cupertino	9,912,774	3.60%	2,296,771
43002	Gilroy	11,385,799	4.13%	2,638,068
43009	Los Altos	2,062,470	0.75%	477,870
43013	Los Altos Hills	70,818	0.03%	16,408
43003	Los Gatos	6,851,060	2.49%	1,587,377
43011	Milpitas	12,256,284	4.45%	2,839,757
43015	Monte Sereno	16,141	0.01%	3,740
43004	Morgan Hill	4,156,490	1.51%	963,051
43005	Mountain View	13,032,333	4.73%	3,019,567
43006	Palo Alto	17,558,014	6.37%	4,068,158
43060	San Jose	124,788,919	45.27%	28,913,353
43010	Santa Clara	35,128,381	12.74%	8,139,178
43014	Saratoga	898,323	0.33%	208,140
43007	Sunnyvale	22,739,821	8.25%	5,268,773
	TOTAL	275,628,591		63,862,615

**Estimated Countywide Adjustment Amount
Santa Cruz County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
44998	Santa Cruz County	7,190,731	25.36%	1,643,485
44053	Capitola	5,331,607	18.80%	1,218,571
44051	Santa Cruz	8,745,062	30.84%	1,998,736
44054	Scotts Valley	1,641,245	5.79%	375,116
44052	Watsonville	5,448,110	19.21%	1,245,198
	TOTAL	28,356,755		6,481,106

Appendix B**Estimated Countywide Adjustment Amount
Shasta County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
45998	Shasta County	2,726,445	11.23%	650,125
45011	Anderson	1,413,830	5.82%	337,130
45060	Redding	19,622,167	80.83%	4,678,932
45012	Shasta Lake	512,924	2.11%	122,307
	TOTAL	24,275,366		5,788,494

**Estimated Countywide Adjustment Amount
Sierra County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
46998	Sierra County	106,213	67.10%	24,389
46096	Loyalton	52,082	32.90%	11,959
	TOTAL	158,295		36,348

**Estimated Countywide Adjustment Amount
Siskiyou County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
47998	Siskiyou County	577,833	13.75%	134,331
47001	Dorris	24,456	0.58%	5,685
47002	Dunsmuir	83,221	1.98%	19,347
47003	Etna	46,429	1.11%	10,794
47004	Fort Jones	95,556	2.27%	22,214
47005	Montague	62,562	1.49%	14,544
47006	Mt. Shasta	858,342	20.43%	199,542
47008	Tulelake	66,027	1.57%	15,350
47009	Weed	526,093	12.52%	122,303
47007	Yreka	1,860,735	44.29%	432,572
	TOTAL	4,201,253		976,682

Appendix B

**Estimated Countywide Adjustment Amount
Solano County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
48998	Solano County	1,791,160	3.31%	421,422
48081	Benica	4,007,079	7.41%	942,781
48082	Dixon	3,776,063	6.98%	888,428
48083	Fairfield	16,978,893	31.38%	3,994,776
48084	Rio Vista	879,660	1.63%	206,966
48085	Suisun	866,620	1.60%	203,898
48086	Vacaville	12,898,904	23.84%	3,034,841
48087	Vallejo	12,903,180	23.85%	3,035,847
	TOTAL	54,101,561		12,728,959

**Estimated Countywide Adjustment Amount
Sonoma County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
49998	Sonoma County	12,424,436	17.91%	2,899,846
49001	Cloverdale	444,268	0.64%	103,692
49007	Cotati	1,118,800	1.61%	261,126
49002	Healdsburg	2,807,558	4.05%	655,280
49003	Petaluma	10,045,360	14.48%	2,344,573
49004	Rohnert Park	6,811,037	9.82%	1,589,686
49060	Santa Rosa	29,139,683	42.00%	6,801,160
49005	Sebastopol	1,480,519	2.13%	345,551
49006	Sonoma	2,097,107	3.02%	489,462
49008	Windsor	3,006,528	4.33%	701,719
	TOTAL	69,375,296		16,192,095

**Estimated Countywide Adjustment Amount
Stanislaus County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
50998	Stanislaus County	17,998,249	28.26%	4,358,442
50011	Ceres	3,816,549	5.99%	924,213
50019	Hughson	454,408	0.71%	110,039
50012	Modesto	27,092,642	42.54%	6,560,733
50013	Newman	473,525	0.74%	114,668
50014	Oakdale	2,956,829	4.64%	716,023
50015	Patterson	933,217	1.47%	225,987
50016	Riverbank	1,346,234	2.11%	326,003
50017	Turlock	8,318,876	13.06%	2,014,493
50018	Waterford	290,597	0.46%	70,371
	TOTAL	63,681,126		15,420,972

**Estimated Countywide Adjustment Amount
Sutter County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
51998	Sutter County	2,889,242	25.49%	672,323
51052	Live Oak	153,842	1.36%	35,799
51051	Yuba City	8,291,849	73.15%	1,929,504
	TOTAL	11,334,932		2,637,626

**Estimated Countywide Adjustment Amount
Tehama County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
52998	Tehama County	1,234,393	21.53%	300,754
52031	Corning	1,790,689	31.23%	436,293
52040	Red Bluff	2,708,018	47.23%	659,795
52032	Tehama	-	0.00%	-
	TOTAL	5,733,101		1,396,842

**Estimated Countywide Adjustment Amount
Trinity County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
53998	Trinity County	680,226	100.00%	152,022

**Estimated Countywide Adjustment Amount
Tulare County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
54998	Tulare County	7,500,810	20.10%	1,796,278
54051	Dinuba	1,483,814	3.98%	355,341
54052	Exeter	557,344	1.49%	133,472
54058	Farmersville	318,618	0.85%	76,302
54053	Lindsay	375,121	1.01%	89,833
54054	Porterville	4,397,375	11.79%	1,053,074
54055	Tulare	5,381,617	14.42%	1,288,778
54056	Visalia	17,102,222	45.84%	4,095,605
54057	Woodlake	194,029	0.52%	46,466
	TOTAL	37,310,951		8,935,149

**Estimated Countywide Adjustment Amount
Tuolumne County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
55998	Tuolumne County	3,612,940	61.30%	855,950
55041	Sonora	2,280,454	38.70%	540,268
	TOTAL	5,893,395		1,396,218

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**Estimated Countywide Adjustment Amount
Ventura County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
56998	Ventura County	8,014,188	7.49%	1,951,190
56016	Camarillo	9,752,023	9.11%	2,374,295
56011	Fillmore	938,212	0.88%	228,423
56019	Moorpark	2,207,632	2.06%	537,485
56012	Ojai	973,888	0.91%	237,110
56013	Oxnard	22,522,445	21.05%	5,483,471
56014	Port Hueneme	771,520	0.72%	187,840
56020	Ventura	19,573,993	18.30%	4,765,620
56015	Santa Paula	1,707,376	1.60%	415,690
56018	Simi Valley	13,765,102	12.87%	3,351,347
56017	Thousand Oaks	26,762,470	25.01%	6,515,777
	TOTAL	106,988,848		26,048,248

Appendix B**Estimated Countywide Adjustment Amount
Yolo County
2004-05**

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
57998	Yolo County	1,842,038	7.12%	452,151
57026	Davis	5,507,727	21.29%	1,351,938
57029	West Sacramento	10,340,164	39.97%	2,538,118
57027	Winters	286,569	1.11%	70,342
57028	Woodlake	7,894,242	30.51%	1,937,737
	TOTAL	25,870,740		6,350,286

Estimated Countywide Adjustment Amount
Yuba County
2004-05

		Local Tax Allocations 2003-04	Percent of Total	Estimated Countywide Adj. 2004-05
58998	Yuba County	2,594,449	56.59%	636,442
58060	Marysville	1,895,304	41.34%	464,935
58021	Wheatland	94,698	2.07%	23,230
	TOTAL	4,584,450		1,124,607

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

Appendix C

County	Entity Name	Multi County	Property Tax Reduction Required
Alameda	Alameda County Flood Control and Water Conservation District	Yes	7,666,505.50
Alameda	Alameda County Resource Conservation District	No	5,779.40
Alameda	Alameda County Water District	No	2,816,791.00
Alameda	Alameda-Contra Costa Transit District	No	1,394,149.08
Alameda	Castro Valley Sanitary District (Alameda)	No	371,394.00
Alameda	County Service Area R-1967-1 (Alameda)	No	2,383.30
Alameda	County Service Area SI-1970-1 (Alameda)	No	461.70
Alameda	East Bay Municipal Utility District	Yes	2,362,000.00
Alameda	East Bay Regional Park District	Yes	4,840,658.40
Alameda	Hayward Area Recreation and Park District	No	1,200,221.70
Alameda	Livermore Area Recreation and Park District	No	436,937.70
Alameda	San Francisco Bay Area Rapid Transit District	Yes	550,861.29
Alpine	County Service Area No. 1 (Alpine)	No	10,556.80
Alpine	Kirkwood Meadows Public Utilities District	Yes	78,137.00
Amador	Amador Water Agency	No	143,868.00
Amador	Drytown County Water District	No	3,340.30
Amador	Jackson Valley Irrigation District	No	3,564.00
Amador	River Pines Public Utility District	No	9,331.00
Amador	Township No. 2 Cemetery District	No	4,120.00
Amador	Victory Maintenance District (Amador)	No	122.00
Amador	Volcano Community Services District	No	5,315.80
Butte	Bangor Cemetery District	No	300.80
Butte	Butte Creek Drainage District (Butte)	Yes	576.90
Butte	Chico Area Recreation and Park District	No	137,939.70
Butte	County Service Area No. 1 (Butte)	No	78.30
Butte	County Service Area No. 11 (Butte)	No	381.70
Butte	County Service Area No. 12 (Butte)	No	102.40
Butte	County Service Area No. 14 (Butte)	No	465.80
Butte	County Service Area No. 15 (Butte)	No	263.40
Butte	County Service Area No. 16 (Butte)	No	96.90
Butte	County Service Area No. 17 (Butte)	No	937.30
Butte	County Service Area No. 18 (Butte)	No	93.90
Butte	County Service Area No. 21 (Butte)	No	839.80
Butte	County Service Area No. 22 (Butte)	No	197.80
Butte	County Service Area No. 23 (Butte)	No	678.50
Butte	County Service Area No. 24 (Butte)	No	8,610.50
Butte	County Service Area No. 25 (Butte)	No	5,260.80
Butte	County Service Area No. 27 (Butte)	No	253.40
Butte	County Service Area No. 30 (Butte)	No	86.20
Butte	County Service Area No. 31 (Butte)	No	1,074.60
Butte	County Service Area No. 33 (Butte)	No	213.20
Butte	County Service Area No. 34 (Butte)	No	2,767.60
Butte	County Service Area No. 36 (Butte)	No	81.10
Butte	County Service Area No. 37 (Butte)	No	6,487.30
Butte	County Service Area No. 4 (Butte)	No	7,090.00
Butte	County Service Area No. 40 (Butte)	No	119.50
Butte	County Service Area No. 47 (Butte)	No	209.60
Butte	County Service Area No. 56 (Butte)	No	195.90
Butte	County Service Area No. 69 (Butte)	No	0.50
Butte	County Service Area No. 71 (Butte)	No	1.00
Butte	Drainage District No. 1 (Butte)	No	1,222.20
Butte	Drainage District No. 100 (Butte)	No	6,282.80
Butte	Drainage District No. 2 (Butte)	No	105.20

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

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County	Entity Name	Multi County	Property Tax Reduction Required
Butte	Drainage District No. 200 (Butte)	No	1,059.80
Butte	Durham Recreation and Park District	No	20,150.20
Butte	Feather River Recreation and Park District	No	83,094.10
Butte	Gridley-Biggs Cemetery District	No	11,861.40
Butte	Kimshew Cemetery District	No	4,087.10
Butte	Lake Madrone Water District	No	12,238.00
Butte	Lake Oroville Area Public Utility District	No	100,731.10
Butte	Oroville Cemetery District	No	11,121.30
Butte	Paradise Cemetery District	No	12,580.50
Butte	Paradise Irrigation District	No	164,258.00
Butte	Paradise Recreation and Park District	No	82,765.10
Butte	Pine Creek Cemetery District	No	411.30
Butte	Reclamation District No. 833	No	4,765.80
Butte	Richvale Sanitary District (Butte)	No	3,140.10
Butte	South Feather Water and Power Agency	Yes	281,920.00
Butte	Thompson Flat Cemetery District	No	68.30
Butte	Upham Cemetery District	Yes	584.90
Calaveras	Altaville Cemetery District	No	4,144.30
Calaveras	Arnold Lighting District	No	321.30
Calaveras	Calaveras County Water District	No	1,607,706.00
Calaveras	Calaveras Public Utility District	No	67,666.00
Calaveras	Copperopolis Cemetery District	No	380.20
Calaveras	County Service Area No. 1 (Calaveras)	No	6,579.90
Calaveras	County Service Area No. 8 (Calaveras)	No	1,080.60
Calaveras	County Service Area No. 9 (Calaveras)	No	106.50
Calaveras	Mokelumne Hill Cemetery District	No	743.80
Calaveras	Mokelumne Hill Lighting District	No	523.20
Calaveras	Mokelumne Hill Sanitary District (Calaveras)	No	9,785.00
Calaveras	Murphys Cemetery District	No	2,424.60
Calaveras	Murphys Lighting District	No	2,329.00
Calaveras	Murphys Sanitary District (Calaveras)	No	40,145.90
Calaveras	Railroad Flat Cemetery District	No	143.30
Calaveras	San Andreas Cemetery District	No	1,541.20
Calaveras	San Andreas Lighting District	No	1,384.10
Calaveras	San Andreas Recreation and Park District	No	1,761.10
Calaveras	San Andreas Sanitary District (Calaveras)	No	34,740.00
Calaveras	Union Public Utility District	No	55,358.00
Calaveras	Vallecito Cemetery District	No	636.90
Calaveras	Valley Springs Lighting District	No	504.90
Calaveras	Valley Springs Public Utility District	No	31,486.60
Calaveras	West Point Cemetery District	No	1,699.10
Calaveras	West Point Lighting District	No	131.90
Colusa	Arbuckle Cemetery District	No	4,644.50
Colusa	Arbuckle Public Utility District	No	34,539.10
Colusa	College City Cemetery District	No	2,089.60
Colusa	Colusa Cemetery District	No	9,114.70
Colusa	Cortina Creek Flood Control and Flood Water Conservation District	No	1,201.20
Colusa	Cypress Hill Cemetery District	No	214.00
Colusa	Flood Control Maintenance Area No. 12	Yes	189.60
Colusa	Grand Island Cemetery District	No	1,856.80
Colusa	Maxwell Cemetery District	No	2,183.90
Colusa	Maxwell Public Utility District	No	25,259.50
Colusa	Princeton - Codora - Glenn Irrigation District	Yes	142,319.00

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

Appendix C

County	Entity Name	Multi County	Property Tax Reduction Required
Colusa	Princeton Cemetery District	No	752.10
Colusa	Princeton Water Works District (Colusa)	No	5,169.90
Colusa	Reclamation District No. 2047	Yes	217.00
Colusa	Stonyford-Indian Valley Cemetery District	Yes	486.30
Colusa	Walnut Ranch Lighting Maintenance No. 1 (Colusa)	No	341.20
Colusa	Williams Cemetery District	No	4,373.60
Contra Cos	Alamo-Lafayette Cemetery District	No	13,256.40
Contra Cos	Ambrose Recreation and Park District	No	35,489.60
Contra Cos	Balhan Terrace Street Lighting Maintenance District (Contra Costa)	No	26.60
Contra Cos	Bethel Island Municipal Improvement District	No	20,250.00
Contra Cos	Byron - Brentwood - Knightsen Cemetery District	No	16,808.10
Contra Cos	Byron Sanitary District (Contra Costa)	No	14,558.60
Contra Cos	Byron-Bethany Irrigation District	Yes	154,909.10
Contra Cos	Castle Rock County Water District	No	6,845.00
Contra Cos	Central Contra Costa Sanitary District (Contra Costa)	No	5,677,954.50
Contra Cos	Contra Costa County Flood Control and Water Conservation District	No	517,694.20
Contra Cos	Contra Costa County Storm Drainage District	No	3,862.00
Contra Cos	Contra Costa County Water Agency	No	32,233.20
Contra Cos	Contra Costa Resource Conservation District	No	12,289.40
Contra Cos	Contra Costa Water District	No	1,572,152.00
Contra Cos	Core Area Maintenance District (Contra Costa)	No	6,869.40
Contra Cos	County Service Area L-100 (Contra Costa)	No	54,501.10
Contra Cos	County Service Area M-1	No	841.56
Contra Cos	County Service Area M-16 (Contra Costa)	No	1,466.40
Contra Cos	County Service Area M-17 (Contra Costa)	No	11,094.50
Contra Cos	County Service Area M-20 (Contra Costa)	No	718.90
Contra Cos	County Service Area M-23 (Contra Costa)	No	131,991.80
Contra Cos	County Service Area M-29 (Contra Costa)	No	10,042.10
Contra Cos	County Service Area M-8 (Contra Costa)	No	39,998.60
Contra Cos	County Service Area R-4 (Contra Costa)	No	1,706.90
Contra Cos	County Service Area R-7 (Contra Costa)	No	51,700.60
Contra Cos	County Service Area RD-4 (Contra Costa)	No	543.20
Contra Cos	Crockett-Valona Sanitary District (Contra Costa)	No	109,452.60
Contra Cos	Delta Diablo Sanitation District (Contra Costa)	No	1,338,326.00
Contra Cos	Diablo Vista Water Maintenance District (Contra Costa)	No	12,655.60
Contra Cos	Discovery Bay Reclamation and Drainage Maintenance District (Contra Costa)	No	2,858.40
Contra Cos	East Contra Costa Irrigation District	No	263,453.50
Contra Cos	Green Valley Recreation and Park District	No	2,337.10
Contra Cos	Ironhouse Sanitary District (Contra Costa)	No	122,508.00
Contra Cos	Kirkwood Maintenance District No. 1 (Contra Costa)	No	5,017.20
Contra Cos	Los Medanos Community Hospital District	No	75,119.10
Contra Cos	Mountain View Sanitary District (Contra Costa)	No	196,602.00
Contra Cos	Mt. Diablo Health Care District	No	15,477.80
Contra Cos	Pleasant Hill Recreation and Park District	No	227,877.40
Contra Cos	Reclamation District No. 800 - Byron Tract (Contra Costa)	No	55,727.60
Contra Cos	Residential Lighting (Contra Costa)	No	413.50
Contra Cos	Richmond Municipal Sewer District No. 1	No	131,976.00
Contra Cos	Rodeo Sanitary District (Contra Costa)	No	129,827.50
Contra Cos	Rollingwood-Wilart Recreation and Park District	No	1,747.50
Contra Cos	Stege Sanitary District (Contra Costa)	No	191,013.00
Contra Cos	Storm Drain Maintenance District No. 4 (Contra Costa)	No	905.50
Contra Cos	Town of Moraga Street Lighting Maintenance District No. 1 (Contra Costa)	No	12,362.20
Contra Cos	Valley Terrace Street Lighting Maintenance District (Contra Costa)	No	247.00

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
Contra Cos	West Contra Costa Healthcare District	No	203,777.00
Contra Cos	West County Wastewater District (Contra Costa)	No	626,762.00
Del Norte	Bertsch-Ocean View Community Services District	No	3,601.00
Del Norte	Big Rock Community Services District	No	7,552.20
Del Norte	Church Tree Community Services District	No	624.20
Del Norte	Crescent City Harbor District	No	120,762.70
Del Norte	Del Norte County Flood Control District	No	6,444.60
Del Norte	Del Norte Healthcare District	No	29,311.10
Del Norte	Klamath Community Services District	No	648.00
El Dorado	Arroyo Vista Community Service District	No	627.60
El Dorado	Audubon Hills Community Services District	No	1,833.80
El Dorado	Cameron Estates Community Services District	No	5,128.00
El Dorado	Cameron Park Airport District	No	14,705.00
El Dorado	Cameron Park Community Services District	No	206,747.40
El Dorado	Connie Lane Community Services District	No	1,240.70
El Dorado	Cosumnes River Community Services District	No	565.80
El Dorado	County Service Area No. 2 (El Dorado)	No	1,252.00
El Dorado	County Service Area No. 3 (El Dorado)	No	19,238.50
El Dorado	County Service Area No. 5 (El Dorado)	No	2,078.60
El Dorado	County Service Area No. 7 (El Dorado)	No	140,101.10
El Dorado	County Service Area No. 9 (El Dorado)	No	2,459.60
El Dorado	East China Hill Community Services District	No	538.90
El Dorado	El Dorado County Water Agency	No	124,158.60
El Dorado	El Dorado Hills Community Services District	No	202,234.40
El Dorado	El Dorado Irrigation District	Yes	5,225,079.00
El Dorado	Garden Valley Ranch Estates Community Services District	No	825.10
El Dorado	Georgetown Divide Public Utility District	Yes	334,635.70
El Dorado	Georgetown Divide Recreation District	No	15,238.00
El Dorado	Golden West Community Services District	No	3,497.70
El Dorado	Greenstone Country Community Services District	No	10,219.60
El Dorado	Happy Homestead Cemetery District	No	11,691.30
El Dorado	Hickcock Road Community Service District	No	558.60
El Dorado	Hillwood Community Service District	No	1,005.00
El Dorado	Holiday Lakes Community Services District	No	252.10
El Dorado	Kelsey Cemetery District	No	89.10
El Dorado	Knolls Property Owners Community Services District	No	271.60
El Dorado	Lakeview Community Services District	No	559.60
El Dorado	Marble Mountain Homeowners Community Services District	No	998.00
El Dorado	Mortara Circle Community Services District	No	240.10
El Dorado	Rising Hill Community Services District	No	640.90
El Dorado	Shadow Lane Community Services District	No	102.60
El Dorado	Showcase Community Services District	No	806.50
El Dorado	Sierra Oaks Community Services District	No	479.10
El Dorado	South Tahoe Public Utility District	No	407,274.50
El Dorado	Springfield Meadows Community Services District	No	1,314.30
El Dorado	Tahoe Resource Conservation District	Yes	6,791.10
El Dorado	West El Largo Community Services District	No	129.00
Fresno	Biola Community Services District	No	19,044.00
Fresno	Calwa Recreation and Park District	No	18,540.70
Fresno	Caruthers Community Services District	No	31,002.00
Fresno	Clovis Cemetery District	No	19,097.80
Fresno	Coalinga-Huron Cemetery District	No	3,282.70
Fresno	Coalinga-Huron Recreation and Park District	No	70,591.10

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

Appendix C

County	Entity Name	Multi County	Property Tax Reduction Required
Fresno	County Service Area No. 1 (Fresno)	No	6,662.40
Fresno	County Service Area No. 10 (Fresno)	No	1,381.00
Fresno	County Service Area No. 14 (Fresno)	No	2,419.30
Fresno	County Service Area No. 18 (Fresno)	No	26.80
Fresno	County Service Area No. 19 (Fresno)	No	33.90
Fresno	County Service Area No. 2 (Fresno)	No	633.20
Fresno	County Service Area No. 23 (Fresno)	No	427.20
Fresno	County Service Area No. 30 (Fresno)	No	709.00
Fresno	County Service Area No. 33 (Fresno)	No	874.70
Fresno	County Service Area No. 43 (Fresno)	No	296.90
Fresno	County Service Area No. 44 (Fresno)	No	3,195.17
Fresno	County Service Area No. 5 (Fresno)	No	4,057.70
Fresno	County Service Area No. 7 (Fresno)	No	379.60
Fresno	Del Rey Community Services District	No	17,599.13
Fresno	Dunlap Cemetery District	No	68.50
Fresno	Easton Community Services District	No	2,430.00
Fresno	Fowler Cemetery District	No	10,593.10
Fresno	Fresno County Water Works No. 37	No	3,776.00
Fresno	Fresno County Water Works No. 38	No	7,354.30
Fresno	Fresno County Water Works No. 40	No	8,204.50
Fresno	Fresno County Water Works No. 41	No	51,042.50
Fresno	Fresno Metropolitan Flood Control District	No	438,196.90
Fresno	Kings River Conservation District	Yes	264,014.63
Fresno	Kingsburg Cemetery District	Yes	11,802.40
Fresno	Lanare Community Services District	No	1,966.00
Fresno	Laton Community Services District	No	51,303.90
Fresno	Liberty Water District	No	3,736.20
Fresno	Malaga County Water District	No	82,440.09
Fresno	Oak Grove Cemetery District (Fresno)	No	4,385.80
Fresno	Panoche Drainage District (Fresno)	Yes	6,208.20
Fresno	Parlier Cemetery District	No	2,511.10
Fresno	Pinedale Public Utility District	No	30,288.80
Fresno	Reedley Cemetery District	Yes	15,768.80
Fresno	Riverdale Public Utility District	No	21,176.00
Fresno	Sanger-Del Rey Cemetery District	No	13,113.30
Fresno	Selma Cemetery District	No	9,019.50
Fresno	Selma Health Care District	No	7,720.40
Fresno	Sierra Cedars Community Services District	No	13,631.60
Fresno	Squaw Valley Cemetery District	No	212.70
Fresno	Tranquillity Public Utility District	No	6,069.30
Fresno	Van Ness Boulevard Estates Nos. 1 and 2 Lighting District	No	309.60
Fresno	Washington Colony Cemetery District	No	6,535.60
Glenn	Butte City Community Services District	No	1,686.80
Glenn	Elk Creek Cemetery District	No	570.10
Glenn	Glenn-Colusa Irrigation District	Yes	402,560.00
Glenn	Hamilton City Community Service District	No	11,050.00
Glenn	Levee District No. 1 (Glenn)	No	785.60
Glenn	Levee District No. 2 (Glenn)	No	181.30
Glenn	Levee District No. 3 (Glenn)	No	1,235.40
Glenn	Marvin-Chapel Cemetery District	No	624.90
Glenn	Newville Cemetery District	No	47.00
Glenn	North Willows County Service Area (Glenn)	No	834.50
Glenn	Northeast Willows Community Service District	No	330.20

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
Glenn	Ord Community Services District	No	1,276.30
Glenn	Orland Cemetery District	Yes	13,708.80
Glenn	Provident Irrigation District	Yes	12,861.00
Glenn	Storm Drain Maintenance District No. 1 (Glenn)	No	22.90
Glenn	Storm Drain Maintenance District No. 3 (Glenn)	No	255.10
Glenn	Willows Cemetery District	No	9,463.50
Humboldt	Alderpoint County Water District	No	751.00
Humboldt	Fortuna Cemetery District	No	1,482.70
Humboldt	Garberville Lighting District	No	509.20
Humboldt	Garberville Sanitary District (Humboldt)	No	13,884.80
Humboldt	Humboldt Bay Harbor Recreation and Conservation District	No	227,057.80
Humboldt	Humboldt Bay Municipal Water District	No	342,907.90
Humboldt	Humboldt Community Services District	No	87,941.27
Humboldt	Humboldt County Flood Control District	No	453.40
Humboldt	Hydesville County Water District	No	1,564.00
Humboldt	Hydesville Lighting District	No	148.60
Humboldt	Janes Creek Drainage District (Humboldt)	No	276.30
Humboldt	Loleta Community Services District	No	4,876.00
Humboldt	Loleta Lighting District	No	375.80
Humboldt	Manila Community Services District	No	11,627.69
Humboldt	McKinleyville Community Services District	No	133,875.53
Humboldt	Miranda Community Services District	No	12,125.60
Humboldt	Myers Flat Maintenance District (Humboldt)	No	94.20
Humboldt	North Humboldt Recreation and Park District	No	8,645.80
Humboldt	Orleans Community Services District	No	4,869.00
Humboldt	Pacific Manor Maintenance District (Humboldt)	No	46.10
Humboldt	Patrick Creek Community Services District	No	85.40
Humboldt	Petrolia Cemetery District	No	259.70
Humboldt	Redcrest Maintenance District (Humboldt)	No	102.00
Humboldt	Redway Community Services District	No	47,174.00
Humboldt	Resort Improvement District No. 1	No	167,441.00
Humboldt	Rohner Community Recreation and Park	No	770.90
Humboldt	Rohnerville Lighting District	No	231.90
Humboldt	Weott Maintenance District (Humboldt)	No	326.20
Humboldt	Willow Creek Community Services District	No	34,354.00
Imperial	Bard Water District	No	7,778.00
Imperial	Bombay Beach Community Service District	No	496.00
Imperial	Central Valley Cemetery District	No	31,789.00
Imperial	Country Club Sewer Maintenance District	No	338.60
Imperial	Heber Public Utility District	No	130,893.84
Imperial	Niland Sanitary District (Imperial)	No	10,188.00
Imperial	Palo Verde County Water District	No	1,648.00
Imperial	Riverview Cemetery District	No	9,302.50
Imperial	Salton Community Services District	No	76,186.00
Imperial	Seeley County Water District	No	1,711.00
Inyo	Big Pine Cemetery District	No	956.80
Inyo	Big Pine Lighting District	No	1,262.80
Inyo	Darwin Community Services District	No	662.00
Inyo	Independence Cemetery District	No	3,328.80
Inyo	Independence Lighting District	No	1,325.70
Inyo	Lone Pine Lighting District	No	1,420.60
Inyo	Mt. Whitney Cemetery District	No	2,658.30
Inyo	Pioneer Cemetery District	No	13,763.90

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County	Entity Name	Multi County	Property Tax Reduction Required
Inyo	Tecopa Cemetery District	No	30.50
Inyo	Westridge Community Services District	No	1,622.00
Kern	Antelope Valley-East Kern Water Agency	Yes	2,814,864.70
Kern	Bear Mountain Recreation and Park District	No	30,839.50
Kern	Bear Valley Community Services District	No	470,202.50
Kern	Berrenda Mesa Water District	No	64,526.00
Kern	Boron Community Services District	No	45,162.00
Kern	Buttonwillow County Water District	No	52,247.30
Kern	Buttonwillow Recreation and Park District	No	42,145.40
Kern	Cemetery District No. 1	No	21,473.80
Kern	Desert Lake Community Services District	No	3,674.00
Kern	East Kern Airport District	No	135,140.00
Kern	East Kern Cemetery District	No	9,797.70
Kern	East Kern Health Care District	Yes	11,895.00
Kern	East Niles Community Services District	No	243,190.00
Kern	Eastern Kern Resource Conservation District	No	1,168.30
Kern	Frazier Park Public Utility District	Yes	27,000.00
Kern	Golden Hills Community Service District	No	163,782.00
Kern	Greater Bakersfield Separation of Grade District	No	8,984.30
Kern	Greenfield County Water District	No	19,548.00
Kern	Henry Miller Water District	No	34,445.00
Kern	Kern County Water Agency	No	2,772,157.00
Kern	Kern Delta Water District	No	407,939.90
Kern	Kern River Valley Cemetery District	No	5,864.10
Kern	Lamont Public Utility District	No	90,000.00
Kern	Lebec County Water District	No	22,201.00
Kern	Lost Hills Water District	No	240,841.00
Kern	McFarland Recreation and Park District	No	31,544.70
Kern	Mettler County Water District	No	5,978.40
Kern	Mojave Public Utility District	No	125,323.50
Kern	Mountain Meadows Community Services District	No	795.70
Kern	North Bakersfield Recreation and Park District	No	298,102.60
Kern	North Kern Cemetery District	No	25,409.30
Kern	North Kern-South Tulare Hospital District	Yes	34,814.90
Kern	North of the River Municipal Water District	No	208,647.50
Kern	North of the River Sanitary District No.1 (Kern)	No	115,500.00
Kern	Quail Valley Water District	No	5,551.30
Kern	Rand Communities Water District	Yes	16,785.00
Kern	Rosamond Community Services District	No	214,345.00
Kern	Shafter Recreation and Park District	No	20,878.10
Kern	South Kern Cemetery District	No	5,320.10
Kern	Southern San Joaquin Municipal Utility District	No	348,294.00
Kern	Southwest Healthcare District	No	4,379.00
Kern	Stallion Springs Community Services District	No	171,578.90
Kern	Tehachapi - Cummings County Water District	No	571,948.00
Kern	Tehachapi Cemetery District	No	15,726.10
Kern	Tehachapi Resource Conservation District	No	543.90
Kern	Tehachapi Valley Recreation and Park District	No	42,865.20
Kern	Wasco Recreation and Park District	No	28,334.20
Kern	West Side Cemetery District	No	42,044.40
Kern	West Side Health Care District	No	119,019.00
Kern	West Side Recreation and Park District	No	112,907.40
Kings	Armona Community Services District	No	19,988.00

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
Kings	Avenal Healthcare District	No	4,786.10
Kings	Corcoran Cemetery District	No	2,996.20
Kings	Devils Den Water District	Yes	1,406.70
Kings	Empire West Side Irrigation District	No	16,179.00
Kings	Hanford Cemetery District	No	17,569.30
Kings	Home Garden Community Service District	No	7,885.00
Kings	Kettleman City Community Services District	No	20,021.00
Kings	Kings County Lighting Assessment District	Yes	4,267.70
Kings	Kings County Water District	No	149,285.80
Kings	Lakeside Irrigation Water District	No	97,102.90
Kings	Lemoore Cemetery District	No	8,382.40
Kings	Stratford Public Utility District	No	11,570.00
Kings	Tulare Lake Drainage District (Kings)	Yes	26,473.30
Lake	Anderson Springs Lighting District	No	248.30
Lake	Clearlake Oaks Lighting District	No	75.60
Lake	Clearlake Oaks Water District	No	111,769.00
Lake	County Service Area No. 1 (Lake)	No	702.80
Lake	County Service Area No. 13 (Lake)	No	7,451.10
Lake	County Service Area No. 2 (Lake)	No	37,331.50
Lake	County Service Area No. 3 (Lake)	No	2,315.60
Lake	County Service Area No. 7 (Lake)	No	8,010.00
Lake	County Water Works District No. 1 (Lake)	No	45,920.00
Lake	County Water Works District No. 3 (Lake)	No	60,894.60
Lake	East Lake Resource Conservation District	Yes	1,137.10
Lake	Glenbrook Cemetery District	No	753.60
Lake	Glenhaven Lighting District	No	295.10
Lake	Hartley Cemetery District	No	6,444.60
Lake	Kelseyville Cemetery District	No	4,867.20
Lake	Kelseyville Lighting District	No	934.30
Lake	Konocti County Water District	No	62,762.00
Lake	Lake County Flood Control and Water Conservation District	No	39,205.40
Lake	Lower Lake Cemetery District	No	2,898.80
Lake	Lower Lake Lighting District	No	963.10
Lake	Lucerne Lighting District	No	1,377.00
Lake	Middletown Cemetery District	No	6,381.50
Lake	Middletown Lighting District	No	577.00
Lake	Upper Lake Cemetery District	No	2,848.10
Lake	Upper Lake County Water District	No	1,520.00
Lake	Upper Lake Lighting District	No	644.60
Lassen	Bieber Lighting District	No	272.20
Lassen	Big Valley Pest Abatement District	No	2,485.90
Lassen	Clear Creek Community Service District (Lassen)	No	2,005.20
Lassen	Lassen County Air Pollution Control District	No	934.20
Lassen	Lassen-Modoc County Flood Control and Water Conservation District	Yes	900.70
Lassen	Leavitt Lake Community Service District	No	3,423.26
Lassen	Susanville Consolidated Sanitary District (Lassen)	No	108,862.90
Lassen	West Patton Village Community Services District	No	1,170.00
Lassen	Westwood Community Services District	No	10,227.98
Los Angeles	Antelope Valley Resource Conservation District	Yes	8,719.30
Los Angeles	Artesia Cemetery District	No	6,540.70
Los Angeles	Athens - Woodcrest - Olivita Garbage Disposal District	No	176,872.50
Los Angeles	Bell Gardens Lighting District	No	21,080.10
Los Angeles	Bell Lighting District	No	14,038.00

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
Los Angeles	Bella Vista Recreation and Park District	No	542.20
Los Angeles	Belvedere Garbage Disposal District	No	461,754.90
Los Angeles	Castaic Lake Water Agency	Yes	7,071,753.40
Los Angeles	Consolidated Sewer Maintenance District	No	170,988.00
Los Angeles	County Sanitation District No. 1 (Los Angeles)	No	2,049,692.00
Los Angeles	County Sanitation District No. 14 (Los Angeles)	No	464,218.00
Los Angeles	County Sanitation District No. 15 (Los Angeles)	No	3,192,116.00
Los Angeles	County Sanitation District No. 16 (Los Angeles)	No	1,877,466.20
Los Angeles	County Sanitation District No. 17 (Los Angeles)	No	257,173.00
Los Angeles	County Sanitation District No. 18 (Los Angeles)	No	1,776,890.00
Los Angeles	County Sanitation District No. 19 (Los Angeles)	No	568,751.00
Los Angeles	County Sanitation District No. 2 (Los Angeles)	No	3,189,397.00
Los Angeles	County Sanitation District No. 20 (Los Angeles)	No	369,218.00
Los Angeles	County Sanitation District No. 21 (Los Angeles)	No	1,931,018.00
Los Angeles	County Sanitation District No. 22 (Los Angeles)	No	1,666,390.00
Los Angeles	County Sanitation District No. 23 (Los Angeles)	No	250,977.00
Los Angeles	County Sanitation District No. 26 (Los Angeles)	No	1,082,661.80
Los Angeles	County Sanitation District No. 27 (Los Angeles)	No	23,201.90
Los Angeles	County Sanitation District No. 28 (Los Angeles)	No	87,180.00
Los Angeles	County Sanitation District No. 29 (Los Angeles)	No	43,144.00
Los Angeles	County Sanitation District No. 3 (Los Angeles)	No	2,470,981.00
Los Angeles	County Sanitation District No. 32 (Los Angeles)	No	1,168,557.50
Los Angeles	County Sanitation District No. 4 (Los Angeles)	No	246,979.00
Los Angeles	County Sanitation District No. 5 (Los Angeles)	No	5,657,660.00
Los Angeles	County Sanitation District No. 8 (Los Angeles)	No	1,267,330.00
Los Angeles	County Sanitation District No. 9 (Los Angeles)	No	26,892.20
Los Angeles	Downey Cemetery District	No	3,445.30
Los Angeles	Firestone Garbage Disposal District	No	409,451.00
Los Angeles	Foothill Municipal Water District	No	36,393.00
Los Angeles	Golden Valley Municipal Water District	No	4,598.00
Los Angeles	Green Valley County Water District	No	1,200.00
Los Angeles	Huntington Municipal Water District	No	1,121.40
Los Angeles	La Canada Irrigation District	No	205,161.00
Los Angeles	La Habra Heights County Water District	No	318,974.50
Los Angeles	La Puente Valley County Water	No	115,814.00
Los Angeles	Lancaster Cemetery District	No	5,641.60
Los Angeles	Las Virgenes Municipal Water District	No	156,381.00
Los Angeles	Lawndale Lighting District	No	29,109.30
Los Angeles	Little Lake Cemetery District	No	5,482.70
Los Angeles	Littlerock Creek Irrigation District	No	137,847.00
Los Angeles	Longden Lighting District	No	2,079.70
Los Angeles	Los Angeles County Flood Control District	Yes	5,854,677.40
Los Angeles	Malibu Garbage Disposal District	No	66,291.10
Los Angeles	Mesa Heights Garbage Disposal District	No	114,403.70
Los Angeles	Miraleste Recreation and Park District	No	11,414.40
Los Angeles	Newhall County Water District	No	203,908.00
Los Angeles	Number 10006 Maintenance District (Los Angeles)	No	46,023.40
Los Angeles	Number 10032 Maintenance District (Los Angeles)	No	25,041.00
Los Angeles	Number 10038 Maintenance District (Los Angeles)	No	6,860.50
Los Angeles	Number 10045 Maintenance District (Los Angeles)	No	32,513.90
Los Angeles	Number 10049 Maintenance District (Los Angeles)	No	391.20
Los Angeles	Number 10066 Maintenance District (Los Angeles)	No	26,778.80
Los Angeles	Number 10075 Maintenance District (Los Angeles)	No	4,578.30

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
Los Angeles	Number 1472 Maintenance District (Los Angeles)	No	14,986.90
Los Angeles	Number 1575 Maintenance District (Los Angeles)	No	12,431.70
Los Angeles	Number 1616 Maintenance District (Los Angeles)	No	1,257.20
Los Angeles	Number 1687 Maintenance District (Los Angeles)	No	721,688.80
Los Angeles	Number 1697 Maintenance District (Los Angeles)	No	62,378.30
Los Angeles	Number 1744 Maintenance District (Los Angeles)	No	41,555.70
Los Angeles	Number 1866 Maintenance District (Los Angeles)	No	8,443.40
Los Angeles	Palm Ranch Irrigation District	No	27,012.00
Los Angeles	Palmdale Water District	No	670,882.00
Los Angeles	Quartz Hill Water District	No	143,110.00
Los Angeles	Resources Conservation District of the Santa Monica Mountains	Yes	15,713.80
Los Angeles	Ridgecrest Ranchos Recreation and Park District	No	1,033.10
Los Angeles	Rowland Area County Water District	No	137,488.00
Los Angeles	San Gabriel Valley Municipal Water District	No	828,992.60
Los Angeles	South Bay Cities Sanitation District (Los Angeles)	No	1,506,792.00
Los Angeles	Three Valleys Municipal Water District	No	960,409.00
Los Angeles	Upper San Gabriel Valley Municipal Water District	No	197,823.00
Los Angeles	Valley County Water District	No	128,007.00
Los Angeles	Walnut Park Garbage Disposal District	No	47,440.60
Los Angeles	Walnut Valley Water District	No	436,498.00
Los Angeles	Water Replenishment District of Southern California	No	321,823.00
Los Angeles	Waterworks District No. 21 (Los Angeles)	No	15,224.80
Los Angeles	Waterworks District No. 29 (Los Angeles)	No	1,307,389.00
Los Angeles	Waterworks District No. 36 (Los Angeles)	No	15,245.00
Los Angeles	Waterworks District No. 37 (Los Angeles)	No	67,503.00
Los Angeles	Waterworks District No. 40 (Los Angeles)	No	1,000,660.00
Los Angeles	West Valley County Water	No	2,108.00
Los Angeles	Westfield Park Recreation and Parkway District No. 12	No	1,804.10
Los Angeles	Wilmington Cemetery District	No	2,527.70
Madera	Chowchilla Cemetery District	No	5,114.20
Madera	Chowchilla Water District	Yes	49,400.00
Madera	County Service Area No. 1 (Madera)	No	30,518.00
Madera	County Service Area No. 19 (Madera)	No	12,328.60
Madera	County Service Area No. 3 (Madera)	No	282.00
Madera	County Service Area No. 5 (Madera)	No	403.40
Madera	Gravelly Ford Water District	No	27,125.30
Madera	Lighting District No. 2-Oakhurst Area (Madera)	No	454.10
Madera	Madera Cemetery District	No	92,148.90
Madera	Madera County Flood Control and Water Conservation	No	8,925.80
Madera	Maintenance District No. 1 (Madera)	No	8,678.90
Madera	Maintenance District No. 10 (Madera)	No	64,345.20
Madera	Maintenance District No. 11 (Madera)	No	498.90
Madera	Maintenance District No. 13 (Madera)	No	2,624.40
Madera	Maintenance District No. 14 (Madera)	No	2,091.00
Madera	Maintenance District No. 15 (Madera)	No	125.60
Madera	Maintenance District No. 16 (Madera)	No	339.40
Madera	Maintenance District No. 17 (Madera)	No	1,589.40
Madera	Maintenance District No. 18 (Madera)	No	535.00
Madera	Maintenance District No. 19 (Madera)	No	5,051.00
Madera	Maintenance District No. 20 (Madera)	No	58.60
Madera	Maintenance District No. 21 (Madera)	No	13,620.30
Madera	Maintenance District No. 22 (Madera)	No	58,138.00
Madera	Maintenance District No. 23 (Madera)	No	82.80

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
Madera	Maintenance District No. 24 (Madera)	No	5,291.70
Madera	Maintenance District No. 25 (Madera)	No	269.80
Madera	Maintenance District No. 26 (Madera)	No	777.90
Madera	Maintenance District No. 27 (Madera)	No	82.00
Madera	Maintenance District No. 28 (Madera)	No	1,526.80
Madera	Maintenance District No. 30 (Madera)	No	1,631.80
Madera	Maintenance District No. 31 (Madera)	No	326.20
Madera	Maintenance District No. 33 (Madera)	No	6,363.50
Madera	Maintenance District No. 5 (Madera)	No	2,384.60
Madera	Maintenance District No. 6 (Madera)	No	6,673.10
Madera	Maintenance District No. 7 (Madera)	No	6,546.40
Madera	Maintenance District No. 8 (Madera)	No	11,140.00
Madera	Maintenance District No. 9 (Madera)	No	869.80
Marin	Almonte Sanitary District (Marin)	No	27,971.50
Marin	Alto Sanitary District (Marin)	No	18,395.60
Marin	Bel Marin Keys Community Services District	No	25,243.90
Marin	Bolinas Community Public Utility	No	75,443.10
Marin	Bolinas Highlands Permanent Road Division	No	452.60
Marin	County Service Area No. 1 (Marin)	No	670.90
Marin	County Service Area No. 14 (Marin)	No	9,162.50
Marin	County Service Area No. 16 (Marin)	No	3,743.30
Marin	County Service Area No. 17 (Marin)	No	19,717.00
Marin	County Service Area No. 18 (Marin)	No	7,967.80
Marin	County Service Area No. 20 (Marin)	No	697.00
Marin	County Service Area No. 25 (Marin)	No	0.10
Marin	County Service Area No. 6 (Marin)	No	12,514.30
Marin	County Service Area No. 9 (Marin)	No	662.00
Marin	Homestead Valley Sanitary District (Marin)	No	23,042.10
Marin	Inverness Subdivision No. 2 Permanent Road Division	No	131.00
Marin	Las Gallinas Valley Sanitary District (Marin)	No	338,744.80
Marin	Marin City Community Services District	No	5,540.20
Marin	Marin County Flood Control and Water Conservation District	No	264,740.50
Marin	Marin County Lighting District	No	38,890.40
Marin	Marin County Open Space District	No	333,512.90
Marin	Marin County Transit District - Specialized Service	No	57,217.92
Marin	Marinwood Community Services District	No	56,600.10
Marin	Monte Cristo Permanent Road Division	No	204.90
Marin	Mountain View Avenue-Lagunitas Permanent Road Division	No	117.40
Marin	Muir Beach Community Services District	No	24,746.10
Marin	Murray Park Sewer Maintenance District	No	3,312.70
Marin	North Marin Water District	Yes	46,820.00
Marin	Novato Sanitary District (Marin)	No	660,877.70
Marin	Paradise Estates Permanent Road Division	No	2,067.20
Marin	Richardson Bay Sanitary District (Marin)	No	225,744.80
Marin	San Quentin Village Maintenance District (Marin)	No	2,388.50
Marin	San Rafael County Sanitation District (Marin)	No	522,204.00
Marin	Sanitary District No. 1 (Marin)	No	829,309.20
Marin	Sanitary District No. 2 (Marin)	No	318,191.20
Marin	Sanitary District No. 5 (Marin)	No	195,169.60
Marin	Sausalito-Marín City Sanitary (Marin)	No	216,574.10
Marin	Stinson Beach County Water District	No	128,630.20
Marin	Strawberry Recreation and Park District	No	17,967.00
Marin	Tamalpais Community Services District	No	157,183.27

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
Mariposa	Coulterville Lighting District	No	613.10
Mariposa	County Service Area No. 1-M (Mariposa)	No	7,925.50
Mariposa	Countywide County Service Area No. 1 (Mariposa)	No	13,293.30
Mariposa	Hornitos Lighting District	No	242.00
Mariposa	Maintenance District No. 1 (Mariposa)	No	26,285.10
Mariposa	Mariposa Lighting District	No	2,920.80
Mariposa	Mariposa Parking Maintenance District	No	291.30
Mariposa	Mariposa Public Utility District	No	72,462.00
Mariposa	Yosemite-Alpine Community Services District	No	2,311.70
Mendocino	Alexander Estates Lighting District	No	573.10
Mendocino	Anderson Valley Cemetery District	No	2,317.80
Mendocino	Anderson Valley Community Services District	No	27,995.00
Mendocino	Brooktrails Community Services District	No	116,153.04
Mendocino	Calpella County Water District	No	8,541.00
Mendocino	Cemetery District of the Redwoods	No	4,562.90
Mendocino	Coast Life Support District	Yes	4,511.30
Mendocino	Covelo Cemetery District	No	416.60
Mendocino	Covelo Lighting District	No	508.30
Mendocino	Fairview Acres Lighting District	No	117.50
Mendocino	Hopland Cemetery District	No	306.80
Mendocino	Hopland Lighting District	No	925.00
Mendocino	Hopland Public Utility District	No	10,528.00
Mendocino	Laytonville County Water District	No	7,068.00
Mendocino	Laytonville Lighting District	No	266.80
Mendocino	Meadowbrook Manor County Sanitation District (Mendocino)	No	113.00
Mendocino	Mendocino City Community Services District	No	23,412.97
Mendocino	Mendocino Coast Recreation and Park District	No	26,505.30
Mendocino	Mendocino County Flood Control and Water Conservation Improvement District	No	2,386.60
Mendocino	Mendocino County Water Agency	No	7,571.40
Mendocino	Mendocino-Little River Cemetery District	No	1,904.60
Mendocino	Noyo Harbor District	No	48,366.00
Mendocino	Noyo Lighting District	No	166.80
Mendocino	Oak Knoll Lighting District	No	582.80
Mendocino	Potter Valley Cemetery District	No	653.60
Mendocino	Potter Valley Irrigation District	No	30,882.10
Mendocino	Redwood Valley County Water District	No	11,246.00
Mendocino	Riverwood Terrace Lighting District	No	149.00
Mendocino	Round Valley County Water District	No	941.80
Mendocino	Russian River Cemetery District	No	14,706.10
Mendocino	Ukiah Valley Sanitation District (Mendocino)	No	27,401.00
Mendocino	Ukiah Village Lighting District	No	550.40
Mendocino	West Talmage Lighting District	No	225.50
Mendocino	Westport County Water District	No	4,278.00
Mendocino	Westport-Ten Mile Cemetery District	No	306.40
Merced	Ballico-Cortez Water District	No	272.60
Merced	Bloss Memorial Healthcare District	No	10,383.80
Merced	Celeste County Water District	No	435.00
Merced	Central California Irrigation District	Yes	146,455.00
Merced	Delhi County Water District	No	84,739.00
Merced	Dos Palos Cemetery District	Yes	5,454.80
Merced	East Merced Resource Conservation District	No	404.00
Merced	El Nido Irrigation District	No	9,674.00
Merced	Franklin County Water District	No	22,001.00

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County	Entity Name	Multi County	Property Tax Reduction Required
Merced	Grassland Water District	No	14,654.00
Merced	Hilmar Cemetery District	No	3,288.30
Merced	Hilmar County Water District	No	56,877.00
Merced	Le Grand Community Services District	No	9,408.00
Merced	Le Grand-Athlone Water District	No	5,083.00
Merced	Los Banos Cemetery District	No	4,523.20
Merced	Merced Cemetery District	No	17,066.10
Merced	Merced Irrigation District	No	1,094,272.00
Merced	Merquin Cemetery District	No	1,543.80
Merced	Merquin County Water District	No	5,410.60
Merced	Midway Community Services District	No	4,586.00
Merced	Plainsburg Cemetery District	No	2,367.80
Merced	San Luis Water District	Yes	4,961.00
Merced	Santa Nella County Water District	No	39,106.00
Merced	Snelling Cemetery District	No	717.00
Merced	Snelling Community Services District	No	4,620.20
Merced	South Dos Palos County Water District	No	5,874.00
Merced	Stevinson Water District	Yes	5,187.00
Merced	Winton Cemetery District	No	12,983.20
Merced	Winton Water and Sanitary District (Merced)	No	52,850.00
Modoc	Adin Cemetery District	Yes	1,629.60
Modoc	Adin Community Services District	No	1,840.00
Modoc	Adin Lighting District	No	145.90
Modoc	Alturas Cemetery District	No	6,050.40
Modoc	California Pines Community Services District	No	43,643.30
Modoc	Canby Lighting District	No	48.20
Modoc	Cedarville Cemetery District	No	1,044.70
Modoc	Cedarville County Water District	No	2,630.00
Modoc	Cedarville Lighting District	No	318.70
Modoc	Daphnedale Community Services District	No	991.50
Modoc	Davis Creek Cemetery District	No	386.20
Modoc	Eagleville Cemetery District	No	534.90
Modoc	Eagleville Lighting District	No	63.30
Modoc	Ft. Bidwell Cemetery District	No	404.00
Modoc	Ft. Bidwell Lighting District	No	176.10
Modoc	Lake City Cemetery District	No	493.30
Modoc	Likely Cemetery District	No	858.70
Modoc	Lookout Cemetery District	No	658.00
Modoc	Willow Ranch Cemetery District	No	342.20
Mono	Birchim Community Services District	No	3,708.70
Mono	Bridgeport Public Utility District	No	8,673.00
Mono	County Service Area No. 1 (Mono)	No	9,734.30
Mono	County Service Area No. 5 (Mono)	No	3,755.70
Mono	Hilton Creek Community Services District	No	26,032.30
Mono	June Lake Public Utility District	No	130,845.20
Mono	Lee Vining Public Utility District	No	9,299.40
Mono	Mammoth County Water District	No	791,397.20
Monterey	Boronda County Sanitation District (Monterey)	No	3,704.00
Monterey	Carmel Area Wastewater Agency (Monterey)	No	484,802.90
Monterey	Castroville Cemetery District	No	4,537.50
Monterey	County Service Area No. 1 (Monterey)	No	1,078.90
Monterey	County Service Area No. 10 (Monterey)	No	3,422.00
Monterey	County Service Area No. 14 (Monterey)	No	84,595.80

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County	Entity Name	Multi County	Property Tax Reduction Required
Monterey	County Service Area No. 15 (Monterey)	No	7,477.10
Monterey	County Service Area No. 17 (Monterey)	No	622.80
Monterey	County Service Area No. 19 (Monterey)	No	14.60
Monterey	County Service Area No. 20 (Monterey)	No	131.70
Monterey	County Service Area No. 23 (Monterey)	No	116.40
Monterey	County Service Area No. 24 (Monterey)	No	35.60
Monterey	County Service Area No. 25 (Monterey)	No	2,118.20
Monterey	County Service Area No. 26 (Monterey)	No	129.70
Monterey	County Service Area No. 30 (Monterey)	No	15.70
Monterey	County Service Area No. 31 (Monterey)	No	25.60
Monterey	County Service Area No. 32 (Monterey)	No	181.60
Monterey	County Service Area No. 33 (Monterey)	No	59.30
Monterey	County Service Area No. 34 (Monterey)	No	103.60
Monterey	County Service Area No. 35 (Monterey)	No	300.40
Monterey	County Service Area No. 38 (Monterey)	No	51.30
Monterey	County Service Area No. 41 (Monterey)	No	449.90
Monterey	County Service Area No. 44 (Monterey)	No	206.30
Monterey	County Service Area No. 45 (Monterey)	No	782.80
Monterey	County Service Area No. 47 (Monterey)	No	914.30
Monterey	County Service Area No. 50 (Monterey)	No	59.90
Monterey	County Service Area No. 51 (Monterey)	No	656.00
Monterey	County Service Area No. 52 (Monterey)	No	182.10
Monterey	County Service Area No. 53 (Monterey)	No	274.60
Monterey	County Service Area No. 54 (Monterey)	No	52.20
Monterey	County Service Area No. 55 (Monterey)	No	419.80
Monterey	County Service Area No. 56 (Monterey)	No	87.60
Monterey	County Service Area No. 57 (Monterey)	No	89.80
Monterey	County Service Area No. 58 (Monterey)	No	124.50
Monterey	County Service Area No. 62 (Monterey)	No	537.90
Monterey	County Service Area No. 67 (Monterey)	No	6,157.00
Monterey	County Service Area No. 75 (Monterey)	No	15,982.60
Monterey	County Service Area No. 9 (Monterey)	No	2,217.00
Monterey	Gonzales Cemetery District	No	2,419.40
Monterey	Gonzales Slough Maintenance District (Monterey)	No	223.60
Monterey	Greenfield Cemetery District	No	2,621.80
Monterey	Greenfield Recreation and Park District	No	9,010.90
Monterey	King City Cemetery District	No	8,156.30
Monterey	Monterey County Water Resource Agency	No	127,182.80
Monterey	Monterey Peninsula Regional Park District	No	168,665.10
Monterey	Monterey Peninsula Water Management District	No	190,773.87
Monterey	Moss Landing County Sanitation District (Monterey)	No	13,674.60
Monterey	Moss Landing Harbor District	No	161,810.00
Monterey	North County Public Recreation District	No	13,170.70
Monterey	Pajaro County Sanitation District (Monterey)	No	123,866.40
Monterey	Pajaro/Sunny Mesa Community Services District	No	5,395.95
Monterey	Pebble Beach Community Services District	No	847,151.20
Monterey	San Ardo Cemetery District	No	293.60
Monterey	San Lucas Cemetery District	No	962.30
Monterey	Seaside County Sanitation District (Monterey)	No	41,795.20
Monterey	Soledad Cemetery District	No	2,808.90
Monterey	Soledad Community Health Care District	No	10,149.40
Monterey	Soledad-Mission Recreation and Park District	No	12,009.80
Monterey	Spreckels Community Services District	No	112.10

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County	Entity Name	Multi County	Property Tax Reduction Required
Monterey	Storm Drain Maintenance No. 2 (Monterey)	No	1,568.80
Napa	Circle Oaks County Water District	No	14,342.00
Napa	Congress Valley Water District	No	7,619.20
Napa	Lake Berryessa Resort Improvement District	No	20,439.00
Napa	Monticello Cemetery District	No	1,501.00
Napa	Napa Berryessa Resort Improvement District	No	34,818.00
Napa	Napa County Resource Conservation District	Yes	13,865.80
Napa	Reclamation District No. 2109	No	11,773.00
Nevada	Bear River Recreation and Park District	No	1,416.60
Nevada	County Service Area No. 1a (Nevada)	No	1,932.80
Nevada	County Service Area No. 2 (Nevada)	No	204.40
Nevada	Lake of the Pines Ranchos Road Community Services District	No	1,123.50
Nevada	Nevada Cemetery District	No	21,650.50
Nevada	Nevada County Resource Conservation District	Yes	10,688.80
Nevada	Nevada Irrigation District	Yes	3,241,848.20
Nevada	San Juan Ridge County Water District	No	898.80
Nevada	Truckee Cemetery District	No	6,532.70
Nevada	Truckee Sanitary District (Nevada)	Yes	482,644.70
Nevada	Truckee-Donner Recreation and Park District	No	168,587.40
Orange	Capistrano Bay Community Services District	No	55,878.90
Orange	Capistrano Valley Water District (Orange)	No	547,152.00
Orange	Costa Mesa Sanitary District (Orange)	No	130,449.00
Orange	County Service Area No. 13 (Orange)	No	175.40
Orange	County Service Area No. 20 (Orange)	No	882.90
Orange	County Service Area No. 22 (Orange)	No	1,280.60
Orange	County Service Area No. 26 (Orange)	No	3,022,633.40
Orange	County Service Area No. 4 (Orange)	No	29,278.70
Orange	Cypress Recreation and Park District	No	246,936.30
Orange	East Orange County Water District	No	543,583.50
Orange	El Toro Water District	No	463,771.00
Orange	Emerald Bay Service District	No	80,687.80
Orange	Garden Grove Sanitary District (Orange)	No	939,085.30
Orange	Irvine Ranch Water District	No	9,711,800.00
Orange	Laguna Beach County Water District	No	860,800.40
Orange	Laguna Niguel Community Services District	No	236,760.12
Orange	Midway City Sanitary District (Orange)	No	429,125.20
Orange	Moulton-Niguel Water District	No	5,856,706.80
Orange	Orange County Cemetery District	No	84,511.20
Orange	Orange County Flood Control District	No	4,061,277.30
Orange	Orange County Sanitation District	No	16,198,043.90
Orange	Orange County Water District	No	7,407,739.00
Orange	Rossmoor Community Services District	No	35,495.20
Orange	Rossmoor/Los Alamitos Area Sewer District	No	30,380.70
Orange	Santa Margarita Water District	No	3,245,037.00
Orange	Santiago County Water District	No	59,204.00
Orange	Silverado - Modjeska Recreation and Park District	No	3,085.90
Orange	South Coast Water District	No	1,995,002.30
Orange	Sunset Beach Sanitary District (Orange)	No	53,158.60
Orange	Surfside Colony Community Services District	No	5,700.30
Orange	Surfside Colony Storm Water Drainage District (Orange)	No	2,209.10
Orange	Three Arch Bay Community Services District	No	47,588.00
Orange	Trabuco Canyon Water District	No	1,332,117.00
Orange	Yorba Linda Water District	No	793,014.00

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County	Entity Name	Multi County	Property Tax Reduction Required
Placer	Alpine Springs County Water District	No	71,989.70
Placer	Auburn Cemetery District	No	27,799.50
Placer	Auburn Recreation and Park District	No	167,670.00
Placer	Cemetery District No. 1 (Placer)	No	26,135.80
Placer	Christian Valley Park Community Services District	No	17,351.91
Placer	Colfax Cemetery District	No	7,512.50
Placer	Foresthill Public Utility District	No	43,584.00
Placer	Heather Glen Community Services District	No	2,039.65
Placer	McKinney Water District	Yes	15,362.60
Placer	Meadow Vista County Water District	No	78,212.30
Placer	Midway Heights County Water District	No	25,641.00
Placer	Newcastle - Rocklin - Gold Hill Cemetery District	No	65,019.20
Placer	Newcastle Lighting District	No	548.20
Placer	Newcastle Sanitary District (Placer)	No	21,406.40
Placer	North Tahoe Public Utility District	No	279,250.10
Placer	Penryn Lighting District	No	386.90
Placer	Placer County Resource Conservation District	No	13,238.80
Placer	Placer County Water Agency	No	176,610.00
Placer	Roseville Cemetery District	No	104,839.80
Placer	Sewer Maintenance No. 2 (Placer)	No	22,977.00
Placer	Sewer Maintenance No. 3 (Placer)	No	46,321.00
Placer	Sierra Lakes County Water District	No	95,625.50
Placer	South Placer Municipal Utility District	No	369,914.00
Placer	Squaw Valley Public Service District	No	262,324.00
Placer	Tahoe City Cemetery District	No	2,500.70
Placer	Tahoe City Public Utility District	Yes	181,078.00
Placer	Tahoe-Truckee Sanitation Agency	Yes	120,996.80
Placer	Truckee-Tahoe Airport District	Yes	431,570.90
Plumas	Beckwourth County Service Area	No	1,604.30
Plumas	Central Plumas Recreation District	No	16,869.30
Plumas	Chester Cemetery District	No	3,108.30
Plumas	Chester Public Utility District	No	65,554.40
Plumas	Clio Public Utility District	No	791.40
Plumas	County Service Area No. 11 (Plumas)	No	8,220.90
Plumas	Crescent Mills Lighting District	No	64.40
Plumas	Cromberg Cemetery District	No	89.10
Plumas	Graeagle Community Services District	No	4,748.10
Plumas	Greenhorn Creek Community Services District	No	5,300.00
Plumas	Greenville Cemetery District	No	1,073.60
Plumas	Grizzly Lake Resort Improvement District	No	21,105.00
Plumas	Indian Valley Community Services District	No	36,386.20
Plumas	Johnsville Public Utility District	No	5,082.00
Plumas	Meadow Valley Cemetery District	No	589.80
Plumas	Mohawk Valley Cemetery District	No	711.10
Plumas	Plumas County Flood Control and Water Conservation District	No	5,551.30
Plumas	Portola Cemetery District	No	2,968.70
Plumas	Quincy Community Services District	No	94,643.00
Plumas	Quincy Lighting District	No	2,132.30
Plumas	Quincy-La Porte Cemetery District	No	8,601.20
Plumas	Taylorsville Cemetery District	No	685.30
Riverside	Beaumont Cherry Valley Recreation and Park District	No	30,669.00
Riverside	Cabazon County Water District	No	65,897.40
Riverside	Coachella Sanitary District (Riverside)	No	34,334.00

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County	Entity Name	Multi County	Property Tax Reduction Required
Riverside	Coachella Valley Cemetery District	No	21,741.10
Riverside	Coachella Valley Recreation and Park District	No	113,727.00
Riverside	Coachella Valley Resource Conservation District	No	3,081.00
Riverside	Coachella Valley Water District	Yes	7,211,862.00
Riverside	County Service Area No. 1 (Riverside)	No	252.20
Riverside	County Service Area No. 103 (Riverside)	No	276.10
Riverside	County Service Area No. 104 (Riverside)	No	2,615.90
Riverside	County Service Area No. 105 (Riverside)	No	1,498.90
Riverside	County Service Area No. 108 (Riverside)	No	1,083.70
Riverside	County Service Area No. 113 (Riverside)	No	199.30
Riverside	County Service Area No. 124 (Riverside)	No	1,236.20
Riverside	County Service Area No. 125 (Riverside)	No	700.40
Riverside	County Service Area No. 126 (Riverside)	No	8,069.60
Riverside	County Service Area No. 13 (Riverside)	No	188.50
Riverside	County Service Area No. 15 (Riverside)	No	635.10
Riverside	County Service Area No. 20 (Riverside)	No	8.10
Riverside	County Service Area No. 21 (Riverside)	No	717.20
Riverside	County Service Area No. 22 (Riverside)	No	162.60
Riverside	County Service Area No. 27 (Riverside)	No	1,398.40
Riverside	County Service Area No. 30 (Riverside)	No	345.50
Riverside	County Service Area No. 33 (Riverside)	No	960.30
Riverside	County Service Area No. 36 (Riverside)	No	4,763.80
Riverside	County Service Area No. 41 (Riverside)	No	5,624.40
Riverside	County Service Area No. 43 (Riverside)	No	682.20
Riverside	County Service Area No. 47 (Riverside)	No	271.70
Riverside	County Service Area No. 51 (Riverside)	No	44,650.70
Riverside	County Service Area No. 52 (Riverside)	No	957.70
Riverside	County Service Area No. 53 (Riverside)	No	26.50
Riverside	County Service Area No. 59 (Riverside)	No	224.40
Riverside	County Service Area No. 62 (Riverside)	No	15,176.00
Riverside	County Service Area No. 67 (Riverside)	No	201.90
Riverside	County Service Area No. 69 (Riverside)	No	5,419.90
Riverside	County Service Area No. 70 (Riverside)	No	2,318.10
Riverside	County Service Area No. 72 (Riverside)	No	364.00
Riverside	County Service Area No. 73 (Riverside)	No	229.40
Riverside	County Service Area No. 80 (Riverside)	No	3,991.70
Riverside	County Service Area No. 82 (Riverside)	No	27.50
Riverside	County Service Area No. 84 (Riverside)	No	4,799.20
Riverside	County Service Area No. 85 (Riverside)	No	4,733.50
Riverside	County Service Area No. 86 (Riverside)	No	12,223.50
Riverside	County Service Area No. 87 (Riverside)	No	676.70
Riverside	County Service Area No. 89 (Riverside)	No	230.30
Riverside	County Service Area No. 91 (Riverside)	No	673.50
Riverside	County Service Area No. 92 (Riverside)	No	20.30
Riverside	County Service Area No. 94 (Riverside)	No	147.70
Riverside	County Service Area No. 97 (Riverside)	No	628.60
Riverside	Desert Water Agency	No	579,713.00
Riverside	Eastern Municipal Water District	Yes	12,646,081.00
Riverside	Edgemont Community Services District	No	60,802.30
Riverside	Elsinore Valley Cemetery District	No	32,555.10
Riverside	Elsinore Valley Municipal Water District	Yes	3,644,564.00
Riverside	Elsinore Water District	No	89,940.90
Riverside	Fern Valley Water District	No	78,777.70

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County	Entity Name	Multi County	Property Tax Reduction Required
Riverside	High Valleys Water District	No	44,267.80
Riverside	Home Gardens Sanitary District (Riverside)	No	85,831.60
Riverside	Idyllwild Water District	No	152,384.30
Riverside	Jurupa Area Recreation and Park District	No	68,237.40
Riverside	Jurupa Community Services District	No	1,766,731.40
Riverside	Lake Hemet Municipal Water District	No	702,556.00
Riverside	Lee Lake Water District	No	25,440.00
Riverside	Mission Springs Water District	No	682,368.00
Riverside	Moreno Valley Community Services District	No	193,429.90
Riverside	Murrieta Valley Cemetery District	Yes	9,572.40
Riverside	Palm Springs Cemetery District	No	11,766.80
Riverside	Palo Verde Cemetery District	No	3,787.50
Riverside	Palo Verde Valley Hospital District	No	5,450.70
Riverside	Perris Valley Cemetery District	No	7,545.90
Riverside	Pine Cove Water District	No	51,005.20
Riverside	Rancho California Water District	No	6,347,701.00
Riverside	Riverside County Flood Control and Water Conservation	No	2,206,888.80
Riverside	Riverside County Regional Park and Open Space	No	233,698.30
Riverside	Riverside-Corona Resource Conservation District	Yes	41,473.00
Riverside	Rubidoux Community Services District	Yes	43,443.00
Riverside	San Geronio Pass Water Agency	No	502,453.20
Riverside	San Jacinto Basin Resource Conservation District	No	131.00
Riverside	San Jacinto Valley Cemetery District	No	13,568.70
Riverside	Summit Cemetery District	No	36,847.90
Riverside	Temecula Cemetery District	No	24,759.00
Riverside	Valley Sanitary District (Riverside)	No	325,797.00
Riverside	Valley-Wide Recreation and Park District	No	53,804.90
Riverside	Western Municipal Water District	Yes	6,732,088.60
Riverside	Wildomar Cemetery District	No	13,112.70
Sacramento	Arcade Creek Recreation and Park District	No	33,573.50
Sacramento	Arden Manor Recreation and Park District	No	19,296.50
Sacramento	Arden Park Recreation and Park District	No	17,405.70
Sacramento	Carmichael Recreation and Park District	No	101,628.70
Sacramento	Clay Water District	No	244.20
Sacramento	Cordova Recreation and Park District	No	217,462.50
Sacramento	County Service Area No. 1 (Sacramento)	No	14,000.70
Sacramento	County Service Area No. 4 (Sacramento)	No	2,693.90
Sacramento	Del Norte Oaks Park Maintenance (Sacramento)	No	241.30
Sacramento	Elk Grove-Cosumnes Cemetery District	No	26,661.40
Sacramento	Fair Oaks Cemetery District	No	13,156.50
Sacramento	Fair Oaks Recreation and Park District	No	85,428.40
Sacramento	Florin-Elder Creek Cemetery District	No	2,358.50
Sacramento	Fulton-El Camino Recreation and Park District	No	76,911.80
Sacramento	Galt Irrigation District	No	3,699.20
Sacramento	Galt-Arno Cemetery District	No	12,710.50
Sacramento	Mission Oaks Recreation and Park District	No	142,173.50
Sacramento	North Highlands Recreation and Park District	No	70,085.60
Sacramento	Omochochumne - Hartnell Water District	No	10,699.10
Sacramento	Orangevale Recreation and Park District	No	70,111.20
Sacramento	Rancho Murieta Community Services District	No	310,498.00
Sacramento	Rio Linda-Elverta Community Water District	No	42,000.00
Sacramento	Rio Linda-Elverta Parks and Recreation Area (Sacramento)	No	36,356.90
Sacramento	Sacramento County Water Agency	No	498,042.50

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County	Entity Name	Multi County	Property Tax Reduction Required
Sacramento	San Juan Suburban Water District	Yes	1,055,633.00
Sacramento	Sloughhouse Resource Conservation District	No	585.50
Sacramento	Southgate Recreation and Park District	No	238,890.10
Sacramento	Sunrise Recreation and Park District	No	264,351.70
Sacramento	Sylvan Cemetery District	No	5,681.10
San Benito	Aromas County Water District	Yes	36,795.00
San Benito	Pacheco Pass Water District	Yes	2,433.10
San Benito	San Benito County Water District	No	737,643.70
San Benito	San Juan Bautista Cemetery District	No	7,026.00
San Berna	Arrowbear Park County Water District	No	33,648.00
San Berna	Baker Community Services District	No	44,347.00
San Berna	Baldy Mesa Water District	No	245,655.00
San Berna	Barstow Cemetery District	No	7,200.50
San Berna	Barstow Heights Community Services District	No	3,669.90
San Berna	Barstow Recreation and Park District	No	47,146.30
San Berna	Big Bear Airport District	No	127,168.70
San Berna	Big Bear City Community Services District	No	13,527.88
San Berna	Big Bear Municipal Water District	No	313,033.70
San Berna	Big Bear Valley Recreation and Park District	No	91,377.10
San Berna	Big River Community Services District	No	1,507.00
San Berna	Bighorn-Desert View Water Agency	No	58,297.00
San Berna	Bloomington Recreation and Park District	No	13,678.00
San Berna	Chino Basin Water Conservation District	No	67,082.20
San Berna	County Service Area No. 17 (San Bernardino)	No	8,712.00
San Berna	County Service Area No. 18 (San Bernardino)	No	7,232.50
San Berna	County Service Area No. 20 (San Bernardino)	No	32,929.90
San Berna	County Service Area No. 30 (San Bernardino)	No	266.00
San Berna	County Service Area No. 40 (San Bernardino)	No	19,489.90
San Berna	County Service Area No. 42 (San Bernardino)	No	15,658.16
San Berna	County Service Area No. 53 (San Bernardino)	No	7,715.54
San Berna	County Service Area No. 54 (San Bernardino)	No	2,252.00
San Berna	County Service Area No. 56 (San Bernardino)	No	8,905.50
San Berna	County Service Area No. 59 (San Bernardino)	No	2,032.70
San Berna	County Service Area No. 60 (San Bernardino)	No	130,757.30
San Berna	County Service Area No. 63 (San Bernardino)	No	6,687.70
San Berna	County Service Area No. 64 (San Bernardino)	No	264,374.00
San Berna	County Service Area No. 68 (San Bernardino)	No	3,063.70
San Berna	County Service Area No. 69 (San Bernardino)	No	1,899.40
San Berna	County Service Area No. 70 (San Bernardino)	No	465,501.34
San Berna	County Service Area No. 73 (San Bernardino)	No	260.80
San Berna	County Service Area No. 77 (San Bernardino)	No	232.00
San Berna	County Service Area No. 79 (San Bernardino)	No	1,827.00
San Berna	County Service Area No. 82 (San Bernardino)	No	37,101.00
San Berna	County Service Area No. 9 (San Bernardino)	No	2,657.00
San Berna	County Service Area No. SI-1 (San Bernardino)	No	44,802.30
San Berna	Crestline County Sanitation District (San Bernardino)	No	276,399.50
San Berna	Crestline Village Water District	No	145,026.00
San Berna	Crestline-Lake Arrowhead Water Agency	No	432,103.00
San Berna	Daggett Community Services District	No	18,615.30
San Berna	East Valley Resource Conservation	Yes	7,730.00
San Berna	Hesperia County Water District	No	208,853.00
San Berna	Hesperia Recreation and Park District	No	97,821.30
San Berna	Hi-Desert County Water District	No	780,348.60

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
San Berna	Inland Empire Utilities Agency	No	7,261,500.00
San Berna	Inland Empire West Resource Conservation District	Yes	23,323.30
San Berna	Joshua Basin Water District	No	226,552.00
San Berna	Juniper-Riviera County Water District	No	21,771.90
San Berna	Lake Arrowhead Community Services District	No	1,168,637.20
San Berna	Mariana Ranchos County Water District	No	26,297.20
San Berna	Mojave Desert Resource Conservation District	No	5,103.30
San Berna	Mojave Water Agency	No	719,624.00
San Berna	Monte Vista Water District	No	613,794.00
San Berna	Morongo Valley Community Services District	No	30,556.40
San Berna	Newberry Community Services District	No	6,117.00
San Berna	Parker Dam Recreation and Park District	No	531.10
San Berna	Running Springs Water District	No	380,219.20
San Berna	San Bernardino County Flood Control District	No	1,981,352.70
San Berna	San Bernardino Valley Municipal Water District	Yes	4,070,730.00
San Berna	San Bernardino Valley Water Conservation District	No	4,607.90
San Berna	Twentynine Palms Cemetery District	No	8,925.90
San Berna	Victorville Recreation and Park District	No	175,040.50
San Berna	Victorville Sanitary District (San Bernardino)	No	468,124.50
San Berna	West Valley Water District	Yes	594,095.00
San Berna	Yermo Community Services District	No	3,186.90
San Berna	Yucaipa Valley Water District	Yes	1,223,442.90
San Diego	Borrego Springs Park Community Services District	No	28,215.80
San Diego	Canebrake County Water District	No	2,698.80
San Diego	County Service Area No. 10 (San Diego)	No	193.90
San Diego	County Service Area No. 11 (San Diego)	No	500.10
San Diego	County Service Area No. 12 (San Diego)	No	1,092.80
San Diego	County Service Area No. 128 (San Diego)	No	15,151.00
San Diego	County Service Area No. 13 (San Diego)	No	3,568.30
San Diego	County Service Area No. 14 (San Diego)	No	21.00
San Diego	County Service Area No. 16 (San Diego)	No	982.00
San Diego	County Service Area No. 17 (San Diego)	No	56,661.80
San Diego	County Service Area No. 18 (San Diego)	No	2,255.00
San Diego	County Service Area No. 20 (San Diego)	No	3,530.40
San Diego	County Service Area No. 22 (San Diego)	No	123.00
San Diego	County Service Area No. 23 (San Diego)	No	59.40
San Diego	County Service Area No. 24 (San Diego)	No	139.10
San Diego	County Service Area No. 30 (San Diego)	No	250.40
San Diego	County Service Area No. 38 (San Diego)	No	525.40
San Diego	County Service Area No. 39 (San Diego)	No	211.20
San Diego	County Service Area No. 45 (San Diego)	No	93.20
San Diego	County Service Area No. 46 (San Diego)	No	242.00
San Diego	County Service Area No. 50 (San Diego)	No	406.10
San Diego	County Service Area No. 53 (San Diego)	No	1,024.80
San Diego	County Service Area No. 54 (San Diego)	No	228.00
San Diego	County Service Area No. 55 (San Diego)	No	1,532.60
San Diego	County Service Area No. 6 (San Diego)	No	1,622.00
San Diego	County Service Area No. 60 (San Diego)	No	804.70
San Diego	County Service Area No. 61 (San Diego)	No	715.40
San Diego	County Service Area No. 63 (San Diego)	No	1,846.10
San Diego	County Service Area No. 64 (San Diego)	No	97.70
San Diego	County Service Area No. 69 (San Diego)	No	29,486.30
San Diego	County Service Area No. 70 (San Diego)	No	348.50

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County	Entity Name	Multi County	Property Tax Reduction Required
San Diego	County Service Area No. 75 (San Diego)	No	2,220.80
San Diego	County Service Area No. 76 (San Diego)	No	270.40
San Diego	County Service Area No. 77 (San Diego)	No	785.50
San Diego	County Service Area No. 78 (San Diego)	No	497.50
San Diego	County Service Area No. 8 (San Diego)	No	1,030.10
San Diego	County Service Area No. 80 (San Diego)	No	1,140.70
San Diego	County Service Area No. 81 (San Diego)	No	12,801.30
San Diego	County Service Area No. 83 (San Diego)	No	37,319.80
San Diego	County Service Area No. 86 (San Diego)	No	121.20
San Diego	County Service Area No. 88 (San Diego)	No	218.00
San Diego	County Service Area No. 9 (San Diego)	No	600.50
San Diego	County Service Area No. 90 (San Diego)	No	408.30
San Diego	County Service Area No. 94 (San Diego)	No	1,737.00
San Diego	County Service Area No. 95 (San Diego)	No	1,181.50
San Diego	Fallbrook Public Utility District	No	982,067.00
San Diego	Julian Community Services District	No	25,232.60
San Diego	Julian County Sanitation District (San Diego)	No	4,557.00
San Diego	Lakeside Water District	No	70,528.00
San Diego	Lemon Grove Roadway Lighting District	No	10,164.40
San Diego	Leucadia Wastewater District	No	680,520.00
San Diego	Mission Resource Conservation District	No	1,220.90
San Diego	Morro Hills Community Services District	No	3,747.70
San Diego	North County Cemetery District	No	34,560.80
San Diego	Olivenhain Municipal Water District	No	1,446,416.00
San Diego	Otay Water District	No	1,210,391.00
San Diego	Padre Dam Municipal Water District	No	1,702,776.00
San Diego	Pauma Municipal Water District	No	1,811.60
San Diego	Pauma Valley Community Services District	No	53,057.69
San Diego	Pomerado Cemetery District	No	24,148.70
San Diego	Rainbow Municipal Water District	No	555,273.00
San Diego	Ramona Cemetery District	No	10,548.30
San Diego	Ramona Municipal Water District	No	2,294,668.00
San Diego	Rancho Santa Fe Community Services District	No	212,965.80
San Diego	Resource Conservation District of Greater San Diego County	No	17,996.00
San Diego	Rincon Del Diablo Municipal Water District	No	368,501.00
San Diego	Rincon Ranch Community Services District	No	818.30
San Diego	San Diego County Flood Control District	No	225,211.10
San Diego	San Diego County Street Lighting Maintenance District	No	65,444.20
San Diego	San Diego County Water Authority	No	5,787,380.00
San Diego	San Dieguito Water District	No	372,611.00
San Diego	San Luis Rey Municipal Water District	No	2,840.00
San Diego	Santa Fe Irrigation District	No	615,394.00
San Diego	Upper San Luis Rey Resource Conservation District	No	395.90
San Diego	Vallecitos Water District	No	947,173.00
San Diego	Valley Center Cemetery District	No	1,476.20
San Diego	Valley Center Community Services	No	5,915.30
San Diego	Valley Center Municipal Water District	No	1,097,331.00
San Diego	Vista Irrigation District	No	202,201.00
San Diego	Whispering Palms Community Services District	No	82,995.00
San Diego	Wynola Water District	No	5,469.90
San Diego	Yuima Municipal Water District	No	260,000.00
San Francisco	Bay Area Air Quality Management District	Yes	1,413,831.40
San Joaquin	Acampo Maintenance District (San Joaquin)	No	2,154.00

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
San Joaquin	Almond Park Maintenance District (San Joaquin)	No	1,270.00
San Joaquin	Ash Maintenance District (San Joaquin)	No	1,197.40
San Joaquin	Ashley Maintenance District (San Joaquin)	No	19.00
San Joaquin	Avena Drainage District (San Joaquin)	No	736.50
San Joaquin	Banta-Carbona Irrigation District	No	149,217.00
San Joaquin	Bear Creek Terrace Public Improvement and Street Lighting Maintenance (San Joaquin)	No	945.10
San Joaquin	Boggs Tract Maintenance District (San Joaquin)	No	63.80
San Joaquin	Bowling Green Estates Maintenance (San Joaquin)	No	56.20
San Joaquin	Burkett Garden Acres Maintenance District (San Joaquin)	No	706.90
San Joaquin	Burkett Gardens Maintenance District (San Joaquin)	No	1,554.80
San Joaquin	Central San Joaquin Water Conservation District	No	21,485.00
San Joaquin	Colonial Heights Maintenance District (San Joaquin)	No	35,605.00
San Joaquin	Corral Hollow Maintenance District (San Joaquin)	No	2,796.00
San Joaquin	Country Club Sanitary District (San Joaquin)	No	27,299.30
San Joaquin	Country Club Vista Maintenance District (San Joaquin)	No	1,535.50
San Joaquin	County Service Area No. 1 (San Joaquin)	No	672.20
San Joaquin	County Service Area No. 11 (San Joaquin)	No	247.10
San Joaquin	County Service Area No. 12 (San Joaquin)	No	4,065.00
San Joaquin	County Service Area No. 15 (San Joaquin)	No	11,921.80
San Joaquin	County Service Area No. 2 (San Joaquin)	No	2,185.30
San Joaquin	County Service Area No. 3 (San Joaquin)	No	3,201.50
San Joaquin	County Service Area No. 4 (San Joaquin)	No	987.00
San Joaquin	County Service Area No. 43 (San Joaquin)	No	766.00
San Joaquin	County Service Area No. 5 (San Joaquin)	No	1,492.40
San Joaquin	County Service Area No. 8 (San Joaquin)	No	1,418.30
San Joaquin	East View Maintenance District (San Joaquin)	No	306.00
San Joaquin	Elkhorn Golf Course Estates Maintenance (San Joaquin)	No	2,922.00
San Joaquin	Elkhorn Maintenance District (San Joaquin)	No	255.30
San Joaquin	Escalon Cemetery District	No	2,259.30
San Joaquin	Farmington Maintenance District (San Joaquin)	No	99.90
San Joaquin	Gayla Manor Maintenance District (San Joaquin)	No	2,508.00
San Joaquin	Lambert Village Maintenance District (San Joaquin)	No	510.70
San Joaquin	Lincoln Village Maintenance District (San Joaquin)	No	86,254.00
San Joaquin	Linden County Water District	No	44,158.50
San Joaquin	Linden Lighting District	No	187.20
San Joaquin	Lockeford Community Services District	No	76,138.00
San Joaquin	Lockeford Lighting District	No	491.10
San Joaquin	Lockeford Protection District No. 1 (San Joaquin)	No	152.10
San Joaquin	Mariposa Heights Maintenance District (San Joaquin)	No	54.70
San Joaquin	Maurland Manor Maintenance District (San Joaquin)	No	1,640.00
San Joaquin	Mission Village Maintenance District (San Joaquin)	No	42.70
San Joaquin	Mokelumne Acres Maintenance District (San Joaquin)	No	8,152.00
San Joaquin	Morada Acres Maintenance District (San Joaquin)	No	1,494.00
San Joaquin	Morada Estates Lighting Maintenance District (San Joaquin)	No	133.20
San Joaquin	Morada Estates Water Maintenance District (San Joaquin)	No	5,186.00
San Joaquin	Morada Manor Lighting Maintenance District (San Joaquin)	No	61.80
San Joaquin	Morada Manor Water Maintenance (San Joaquin)	No	1,630.80
San Joaquin	Mountain House Community Services District	No	5,642.60
San Joaquin	Municipal Sewer District No. 1 of the City of Ripon	No	57,398.00
San Joaquin	Naglee Burk Irrigation District	No	37,327.70
San Joaquin	New Jerusalem Drainage District (San Joaquin)	No	4,229.20
San Joaquin	New Mariposa Drainage District (San Joaquin)	No	272.80
San Joaquin	North Oaks Maintenance District (San Joaquin)	No	74.00

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
San Joaquin	North San Joaquin Water Conservation District	No	18,453.80
San Joaquin	North Wilson Way Maintenance District (San Joaquin)	No	428.30
San Joaquin	Northeast Stockton Maintenance District (San Joaquin)	No	1,567.10
San Joaquin	Oro Maintenance District (San Joaquin)	No	924.70
San Joaquin	Pacific Gardens Sanitary District (San Joaquin)	No	50,698.00
San Joaquin	Plainview Water District	No	112,651.90
San Joaquin	Plymouth Village Maintenance District (San Joaquin)	No	783.20
San Joaquin	Rancho San Joaquin Maintenance District (San Joaquin)	No	3,326.30
San Joaquin	Rancho Village Maintenance District (San Joaquin)	No	45.50
San Joaquin	Raymus Village Maintenance District (San Joaquin)	No	16,057.80
San Joaquin	Reclamation District No. 1608	No	13,766.20
San Joaquin	Reclamation District No. 1614	No	7,992.50
San Joaquin	Reclamation District No. 17	No	9,521.10
San Joaquin	Reclamation District No. 2030	No	10,442.40
San Joaquin	Reclamation District No. 2096	No	1,409.00
San Joaquin	Reclamation District No. 348	No	3,474.80
San Joaquin	Reclamation District No. 404	No	1,335.70
San Joaquin	Reclamation District No. 544	No	955.70
San Joaquin	Ripon Lighting District	No	946.40
San Joaquin	San Joaquin County Flood Control and Water Conservation District	No	96,110.00
San Joaquin	San Joaquin Regional Transit District	No	19,536.84
San Joaquin	San Joaquin Waterworks District No. 2 (San Joaquin)	No	1,417.00
San Joaquin	Shaded Terrace Maintenance District (San Joaquin)	No	2,303.00
San Joaquin	Shasta Avenue Maintenance District (San Joaquin)	No	250.90
San Joaquin	Shippee French Camp Homesites Maintenance District (San Joaquin)	No	93.40
San Joaquin	Silva Gardens Lighting Maintenance District (San Joaquin)	No	96.80
San Joaquin	South French Camp Maintenance (San Joaquin)	No	171.70
San Joaquin	South San Joaquin Irrigation District	No	1,024,216.00
San Joaquin	Southwest Stockton Maintenance District (San Joaquin)	No	466.80
San Joaquin	Spring Creek Estates Maintenance District (San Joaquin)	No	2,555.60
San Joaquin	Stockton Maintenance District No. 5 (San Joaquin)	No	41.00
San Joaquin	Stockton-East Water District	No	271,145.00
San Joaquin	Summer Home Estates Maintenance District (San Joaquin)	No	71.00
San Joaquin	Sunnyside Maintenance District (San Joaquin)	No	1,714.00
San Joaquin	Tracy Cemetery District	No	27,130.50
San Joaquin	Tuxedo-Country Club Maintenance District (San Joaquin)	No	552.40
San Joaquin	Victor Lighting District	No	133.00
San Joaquin	West Lane Maintenance District (San Joaquin)	No	153.80
San Joaquin	West Side Irrigation District	No	46,596.00
San Joaquin	West Stockton Maintenance District (San Joaquin)	No	1,841.00
San Joaquin	Wilkinson Manor Maintenance District (San Joaquin)	No	6,639.00
San Joaquin	Woodbridge Irrigation District	No	86,243.90
San Joaquin	Woodbridge Lighting District	No	504.00
San Joaquin	Woodbridge Sanitary District (San Joaquin)	No	25,122.60
San Luis Obispo	Arroyo Grande Cemetery District	No	5,816.30
San Luis Obispo	Atascadero Cemetery District	No	17,222.60
San Luis Obispo	Avila Beach Community Services District	No	41,783.00
San Luis Obispo	California Valley Community Services District	No	26,962.90
San Luis Obispo	Cambria Cemetery District	No	5,552.20
San Luis Obispo	Cambria Community Healthcare District	No	36,192.90
San Luis Obispo	Cayucos Sanitary District (San Luis Obispo)	No	121,673.90
San Luis Obispo	Cayucos-Morro Bay Cemetery District	No	19,274.00
San Luis Obispo	County Service Area No. 1 (San Luis Obispo)	No	22,530.00

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County	Entity Name	Multi County	Property Tax Reduction Required
San Luis C	County Service Area No. 10 (San Luis Obispo)	No	100,092.09
San Luis C	County Service Area No. 12 (San Luis Obispo)	No	17,177.00
San Luis C	County Service Area No. 16 (San Luis Obispo)	No	6,607.35
San Luis C	County Service Area No. 23 (San Luis Obispo)	No	6,303.24
San Luis C	County Service Area No. 7 (San Luis Obispo)	No	28,879.70
San Luis C	Garden Farms Community Water District	No	7,926.50
San Luis C	Heritage Ranch Community Services District	No	128,133.00
San Luis C	Linne Community Services District	No	1,049.70
San Luis C	Nipomo Community Services District	No	254,989.00
San Luis C	Nipomo Lighting District	No	2,148.80
San Luis C	Paso Robles Cemetery District	No	19,066.20
San Luis C	Port San Luis Harbor District	No	311,770.40
San Luis C	San Luis Obispo County Air Pollution District	No	17,013.90
San Luis C	San Luis Obispo County Flood Control and Water Conservation District	No	1,509,196.50
San Luis C	San Miguel Cemetery District	No	3,212.30
San Luis C	San Miguel Community Services District	No	11,585.00
San Luis C	San Simeon Acres Community Services District	No	52,502.00
San Luis C	Santa Margarita Cemetery District	No	1,805.40
San Luis C	Shandon Cemetery District	No	837.30
San Luis C	Templeton Cemetery District	No	4,274.60
San Luis C	Templeton Community Services District	No	72,000.14
San Mateo	Atherton Channel Drainage District	No	4,466.50
San Mateo	Bayshore Sanitary District (San Mateo)	No	89,054.00
San Mateo	Bel Aire Lighting Maintenance (San Mateo)	No	2,623.70
San Mateo	Belmont Lighting District	No	459.60
San Mateo	Burlingame Hills Sewer Maintenance District	No	24,857.90
San Mateo	Campo Bello-University Park Drainage Maintenance District (San Mateo)	No	167.30
San Mateo	Coastside County Water District	No	426,679.10
San Mateo	Colma Lighting District	No	5,604.20
San Mateo	County Service Area No. 6 (San Mateo)	No	3,991.40
San Mateo	County Service Area No. 8 (San Mateo)	No	135,386.50
San Mateo	Crescent Avenue Maintenance (San Mateo)	No	541.60
San Mateo	Crystal Springs County Sanitation District (San Mateo)	No	31,748.00
San Mateo	Devonshire County Sanitation District (San Mateo)	No	11,446.40
San Mateo	East Palo Alto Drainage Maintenance District (San Mateo)	No	1,428.30
San Mateo	East Palo Alto Sanitary District (San Mateo)	No	170,073.00
San Mateo	El Granada Lighting District	No	3,192.60
San Mateo	Emerald Lake Heights Sewer Maintenance District	No	8,150.00
San Mateo	Emerald Lake Lighting District	No	10,534.90
San Mateo	Enchanted Hills Drainage Maintenance District (San Mateo)	No	104.30
San Mateo	Enchanted Hills Lighting Maintenance District (San Mateo)	No	465.30
San Mateo	Fair Oaks Sewer Maintenance District (San Mateo)	No	251,434.00
San Mateo	Granada Sanitary District (San Mateo)	No	143,098.90
San Mateo	Guadalupe Valley Municipal Improvement District	No	36,405.00
San Mateo	Harbor Industrial Sewer Maintenance District (San Mateo)	No	7,598.00
San Mateo	Highlands Drainage Maintenance District (San Mateo)	No	26.20
San Mateo	Highlands Landscape Maintenance District (San Mateo)	No	438.60
San Mateo	Highlands Recreation Community Services District	No	19,878.80
San Mateo	Kensington Square Sewer Maintenance District	No	3,067.10
San Mateo	La Honda Lighting Maintenance (San Mateo)	No	762.70
San Mateo	Ladera Recreation District	No	6,747.60
San Mateo	Los Trancos County Water District	No	40,216.50
San Mateo	Menlo Park Lighting District	No	12,166.00

**Educational Revenue Augmentation Fund Shift, by Special District
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County	Entity Name	Multi County	Property Tax Reduction Required
San Mateo	Mid Peninsula Water District	No	17,762.00
San Mateo	Montara Lighting District	No	4,829.60
San Mateo	Montara Sanitary District (San Mateo)	No	218,702.20
San Mateo	North Coast County Water District	No	301,082.00
San Mateo	North San Mateo County Sanitation District (San Mateo)	No	916,178.00
San Mateo	Oak Knoll Sewer Maintenance District	No	2,019.00
San Mateo	Peninsula Health Care District	No	312,102.60
San Mateo	Pescadero Lighting District	No	578.00
San Mateo	Portola Valley Ranch Maintenance District (San Mateo)	No	34.60
San Mateo	Ravenswood Lighting District	No	10,898.40
San Mateo	San Mateo County Flood Control District	No	185,545.20
San Mateo	San Mateo County Harbor District	No	658,134.30
San Mateo	San Mateo County Resource Conservation District	No	3,606.20
San Mateo	Scenic Heights County Sanitation District (San Mateo)	No	822.00
San Mateo	Sequoia Drainage Maintenance (San Mateo)	No	120.60
San Mateo	Sequoia Healthcare District	No	526,082.30
San Mateo	Skyline County Water District	No	80,748.10
San Mateo	University Heights Area Drain Maintenance (San Mateo)	No	776.30
San Mateo	Wayside Maintenance (San Mateo)	No	2,376.00
San Mateo	Westborough County Water District	No	148,348.00
San Mateo	Woodside Highlands Maintenance (San Mateo)	No	4,215.80
Santa Bart	Cachuma Resource Conservation District	Yes	5,282.10
Santa Bart	Carpinteria Cemetery District	No	8,625.20
Santa Bart	Carpinteria Sanitary District (Santa Barbara)	No	293,012.00
Santa Bart	Carpinteria Street Lighting District No. 1	No	17,566.20
Santa Bart	County Service Area No. 11 (Santa Barbara)	No	700.70
Santa Bart	County Service Area No. 3 (Santa Barbara)	No	135,445.40
Santa Bart	County Service Area No. 31 (Santa Barbara)	No	1,490.50
Santa Bart	County Service Area No. 4 (Santa Barbara)	No	2,148.30
Santa Bart	County Service Area No. 5 (Santa Barbara)	No	6,483.30
Santa Bart	Cuyama Valley Recreation and Park District	No	4,847.40
Santa Bart	Embarcadero Municipal Improvement District	No	11,743.70
Santa Bart	Goleta Cemetery District	No	25,903.80
Santa Bart	Goleta Sanitary District (Santa Barbara)	No	77,667.00
Santa Bart	Goleta West Sanitary District (Santa Barbara)	No	530,378.90
Santa Bart	Guadalupe Cemetery District	No	2,802.30
Santa Bart	Guadalupe Lighting District	No	1,363.90
Santa Bart	Isla Vista Recreation and Park District	No	18,357.30
Santa Bart	Lompoc Cemetery District	No	19,291.70
Santa Bart	Los Alamos Cemetery District	No	616.90
Santa Bart	Los Alamos Community Services District	No	28,566.00
Santa Bart	Mission Lighting District	No	366.30
Santa Bart	Montecito Sanitary District (Santa Barbara)	No	187,489.20
Santa Bart	North County Lighting District	No	24,034.30
Santa Bart	Oak Hill Cemetery District	No	9,139.50
Santa Bart	Santa Barbara County Flood Control and Water Conservation District	No	499,051.90
Santa Bart	Santa Barbara County Water Agency	No	129,622.30
Santa Bart	Santa Barbara Metropolitan Transit District	No	15,271.59
Santa Bart	Santa Maria Cemetery District	No	33,670.00
Santa Bart	Santa Maria Public Airport District	No	375,595.70
Santa Bart	Santa Maria Valley Water Conservation District	Yes	13,862.40
Santa Bart	Santa Ynez Community Services District	No	69,142.60
Santa Bart	Santa Ynez River Water Conservation District	No	44,074.30

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

Appendix C

County	Entity Name	Multi County	Property Tax Reduction Required
Santa Bart	Summerland Lighting District	No	1,506.10
Santa Bart	Summerland Sanitary District (Santa Barbara)	No	52,266.40
Santa Clar	Aldercroft Heights County Water District	No	4,672.00
Santa Clar	Guadalupe Coyote Resource Conservation District	No	10,982.60
Santa Clar	Lexington Drive Maintenance District (Santa Clara)	No	385.70
Santa Clar	Loma Prieta Resource Conservation District	No	3,769.00
Santa Clar	Loma Serena Street Lighting Maintenance District (Santa Clara)	No	173.60
Santa Clar	Midpeninsula Regional Open Space District	Yes	1,736,348.70
Santa Clar	Mountain View Shoreline Regional Park Community	No	1,806,500.00
Santa Clar	Purissima Hills Water District	No	312,980.80
Santa Clar	Rancho Rinconada Recreation and Park District	No	17,197.80
Santa Clar	Santa Clara Valley Water District	No	25,490,870.56
Santa Clar	Saratoga Cemetery District	No	39,976.50
Santa Cruz	Boulder Creek Recreation and Park District	No	10,543.40
Santa Cruz	Central Water District	No	52,447.20
Santa Cruz	County Service Area No. 11 (Santa Cruz)	No	61,208.10
Santa Cruz	County Service Area No. 13 (Santa Cruz)	No	2,069.40
Santa Cruz	County Service Area No. 15 (Santa Cruz)	No	286.50
Santa Cruz	County Service Area No. 16 (Santa Cruz)	No	311.40
Santa Cruz	County Service Area No. 17 (Santa Cruz)	No	302.00
Santa Cruz	County Service Area No. 18 (Santa Cruz)	No	238.40
Santa Cruz	County Service Area No. 9 (Santa Cruz)	No	206,536.26
Santa Cruz	Davenport County Sanitation District (Santa Cruz)	No	15,017.00
Santa Cruz	La Selva Beach Recreation and Park District	No	6,319.20
Santa Cruz	Lompico County Water District	No	39,905.00
Santa Cruz	Opal Cliffs Recreation and Park District	No	156.60
Santa Cruz	Pajaro Storm Drain Maintenance District (Santa Cruz)	No	55,404.50
Santa Cruz	Pajaro Valley Cemetery District	Yes	39,921.20
Santa Cruz	Salsipuedes Sanitary District (Santa Cruz)	No	11,184.00
Santa Cruz	San Lorenzo Valley County Water	No	312,905.00
Santa Cruz	Santa Cruz County Flood Control District	No	108,957.40
Santa Cruz	Santa Cruz County Resource Conservation District	No	5,617.00
Santa Cruz	Santa Cruz Port District	No	34,217.00
Santa Cruz	Scotts Valley Water District	No	343,448.40
Shasta	Anderson Cemetery District	No	4,977.80
Shasta	Anderson-Cottonwood Irrigation District	Yes	98,320.30
Shasta	Bella Vista Water District	No	415,909.00
Shasta	Burney Cemetery District	No	4,012.20
Shasta	Centerville Community Services District	No	83,168.80
Shasta	Clear Creek Community Services District (Shasta)	No	185,573.50
Shasta	Cottonwood Cemetery District (Shasta)	No	2,815.70
Shasta	County Service Area No. 15 (Shasta)	No	6,782.90
Shasta	County Service Area No. 23 (Shasta)	No	5,360.20
Shasta	County Service Area No. 25 (Shasta)	No	5,733.30
Shasta	Fall River Mills Cemetery District	No	938.30
Shasta	Fall River Mills Community Services District	No	28,398.70
Shasta	Fall River Resource Conservation District	Yes	1,276.50
Shasta	Halcumb Cemetery District	No	2,871.30
Shasta	Lakehead Lighting District (Shasta)	No	35.90
Shasta	Millville Masonic and Odd Fellows Cemetery District	No	3,916.00
Shasta	Mountain Gate Community Services District	No	61,700.80
Shasta	Permanent Road Division District No. 1323	No	63.20
Shasta	Pine Grove Cemetery District	Yes	4,518.80

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

Appendix C

County	Entity Name	Multi County	Property Tax Reduction Required
Shasta	Rothers Riverside Subdivision Lighting District	No	926.10
Shasta	Shasta County Water Agency	No	9,275.20
Shasta	Sierra Vista Lighting District	No	254.60
Sierra	Alleghany County Water District	No	2,448.70
Sierra	Cemetery District No. 2	No	250.60
Sierra	Cemetery District No. 3	No	450.00
Sierra	Cemetery District No. 5	No	459.30
Sierra	County Service Area No. 1 (Sierra)	No	525.30
Sierra	County Service Area No. 2 (Sierra)	No	3,599.90
Sierra	County Service Area No. 3 (Sierra)	No	795.10
Sierra	County Service Area No. 4 (Sierra)	No	460.00
Sierra	County Service Area No. 5 (Sierra)	No	14,438.19
Sierra	Downieville Public Utility District	No	6,987.10
Sierra	Sierra County Waterworks No. 1 (Sierra)	No	2,964.50
Sierra	Sierraville Public Utility District	No	5,687.20
Siskiyou	Big Springs Irrigation District	No	3,962.00
Siskiyou	Butte Valley Irrigation District	No	6,908.00
Siskiyou	County Service Area No. 3 (Siskiyou)	No	6,263.20
Siskiyou	Dunsmuir Recreation and Park District	No	5,624.30
Siskiyou	Etna Cemetery District	No	1,024.30
Siskiyou	Fort Jones Cemetery District	No	3,695.20
Siskiyou	Happy Camp Cemetery District	No	630.30
Siskiyou	Happy Camp Sanitary District (Siskiyou)	No	14,505.90
Siskiyou	Hornbrook Cemetery District	No	1,542.20
Siskiyou	Lakeview Cemetery District	No	422.50
Siskiyou	McCloud Community Services District	No	31,506.00
Siskiyou	Montague Water Conservation District	No	4,648.00
Siskiyou	Mt. Shasta Recreation and Park District	No	20,056.60
Siskiyou	Picard Cemetery District	No	858.20
Siskiyou	Scott Valley Irrigation District	No	3,170.80
Siskiyou	Shasta Valley Cemetery District	No	5,419.50
Siskiyou	Siskiyou County Flood Control and Water Conservation District	No	9,962.20
Siskiyou	Tennant Community Services District	No	1,820.00
Siskiyou	Weed Recreation and Park District	No	13,056.50
Solano	Benicia Road Lighting District	No	382.40
Solano	Collinsville Levee District (Solano)	No	667.70
Solano	County Service Area No. S-4 (Solano)	No	234.00
Solano	County Service Area No. S-5 (Solano)	No	517.90
Solano	County Service Area No. S-6 (Solano)	No	1,221.00
Solano	County Service Area No. S-8 (Solano)	No	631.80
Solano	Dixon Resource Conservation District	Yes	4,873.30
Solano	Elmira Street Lighting District	No	528.40
Solano	Greater Vallejo Recreation District	No	224,184.00
Solano	Green Valley Lighting District	No	355.40
Solano	Maine Prairie Water District	No	21,471.00
Solano	Reclamation District No. 2098	No	681.20
Solano	Rio Vista - Montezuma Cemetery District	No	13,416.50
Solano	Rockville Cemetery District	No	24,297.40
Solano	Sandy Beach Lighting District	No	287.40
Solano	Silveyville Cemetery District	No	22,337.60
Solano	Solano County Water Agency	Yes	1,289,953.00
Solano	Solano Irrigation District	No	334,410.00
Solano	Solano Resource Conservation District	No	6,873.50

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

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County	Entity Name	Multi County	Property Tax Reduction Required
Solano	Suisun Resource Conservation District	No	288.30
Solano	Suisun-Fairfield Cemetery District	No	15,302.90
Solano	Vacaville-Elmira Cemetery District	No	23,258.70
Solano	Vallejo Sanitation and Flood Control District	No	519,465.00
Sonoma	Belmont Terrace Lighting District	No	367.80
Sonoma	Bittner Lane Permanent Road Division District	No	81.70
Sonoma	Bodega Bay Public Utility District	No	147,200.00
Sonoma	Camp Meeker Recreation and Park District	No	19,710.78
Sonoma	Carment Lighting District	No	489.60
Sonoma	Cazadero Community Services District	No	4,311.30
Sonoma	Cinnabar Lighting District	No	858.40
Sonoma	Cloverdale Health Care District	No	2,063.10
Sonoma	Countryside Manor Lighting District	No	123.10
Sonoma	County Service Area No. 41 (Sonoma)	No	49,259.84
Sonoma	Del Rio Woods Recreation and Park District	No	3,406.60
Sonoma	Forestville Lighting District	No	866.00
Sonoma	Forestville Water District	No	51,916.10
Sonoma	Geyersville Lighting District	No	862.70
Sonoma	Gold Ridge Resource Conservation District	No	1,269.30
Sonoma	Graton Lighting District	No	907.20
Sonoma	Green Valley Cemetery District	No	452.40
Sonoma	Guerneville Lighting District	No	11,035.00
Sonoma	Jenner Lighting District	No	1,012.60
Sonoma	Madrone Acres Lighting District	No	979.90
Sonoma	Mill Creek Lane Permanent Road Division District	No	609.40
Sonoma	Mirabel Heights Permanent Road Division District	No	82.50
Sonoma	Monte Rio Lighting District	No	4,213.70
Sonoma	Monte Rio Recreation and Park District	No	7,965.60
Sonoma	Monte Rosa Permanent Road Division No. 1 District	No	82.00
Sonoma	Northern Sonoma County Air Pollution Control District	No	5,844.00
Sonoma	Occidental Community Services District	No	6,109.90
Sonoma	Pacific View Lighting District	No	41.20
Sonoma	Peaks Pike Permanent Road Division District	No	203.60
Sonoma	Penngrove Lighting District	No	1,475.30
Sonoma	Rio Nido Lighting District	No	2,466.80
Sonoma	Russian River Recreation and Park District	No	16,346.90
Sonoma	Shiloh Cemetery District	No	19,641.00
Sonoma	Sonoma County Water Agency	No	4,454,314.15
Sonoma	Sonoma Mountain County Water District	No	3,276.00
Sonoma	Sonoma Valley County Sanitation District	No	16,374.00
Sonoma	Sotoyome Resource Conservation District	No	2,556.60
Sonoma	South Park Lighting District	No	369.70
Sonoma	Southern Sonoma County Resource Conservation District	No	3,829.10
Sonoma	Summer Home Park Maintenance District (Sonoma)	No	288.20
Sonoma	Valley of the Moon Lighting District	No	19,202.40
Sonoma	West Side Lighting District	No	161.80
Sonoma	Woodside Club Estates Lighting District	No	122.50
Stanislaus	Country Club Estates Lighting District	No	89.10
Stanislaus	County Service Area No. 1 (Stanislaus)	No	76.10
Stanislaus	Crows Landing Lighting District	No	123.40
Stanislaus	Denair Community Services District	No	39,305.00
Stanislaus	Denair Lighting District	No	273.80
Stanislaus	East Stanislaus Resource Conservation District	No	145.70

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

Appendix C

County	Entity Name	Multi County	Property Tax Reduction Required
Stanislaus	Eastside Mosquito Abatement	No	0.00
Stanislaus	Empire Lighting District	No	768.80
Stanislaus	Empire Sanitary District (Stanislaus)	No	14,275.00
Stanislaus	Fairview Tract Lighting District	No	285.10
Stanislaus	Grayson Community Services District	No	4,011.00
Stanislaus	Hills Ferry Cemetery District	Yes	12,770.70
Stanislaus	Keyes Community Services District	No	11,150.00
Stanislaus	Knights Ferry Cemetery District	No	226.40
Stanislaus	Knights Ferry Community Services District	No	3,264.70
Stanislaus	Mancini Park Homes Lighting District	No	21.10
Stanislaus	Monterey Park Tract Lighting District	No	58.20
Stanislaus	Oakdale Irrigation District	Yes	1,078,793.40
Stanislaus	Olympic Tract Lighting District	No	332.90
Stanislaus	Patterson Cemetery District	No	5,242.50
Stanislaus	Patterson Water District	No	7,404.00
Stanislaus	Reclamation District No. 2063	Yes	3,054.70
Stanislaus	Reclamation District No. 2091	No	291.10
Stanislaus	Richland Tract Lighting District	No	183.20
Stanislaus	Salida Lighting District	No	803.60
Stanislaus	Salida Sanitary District (Stanislaus)	No	20,369.00
Stanislaus	Storm Drain Maintenance District No. 1 (Stanislaus)	No	49.10
Stanislaus	Storm Drain Maintenance District No. 10 (Stanislaus)	No	23.00
Stanislaus	Storm Drain Maintenance District No. 6 (Stanislaus)	No	172.00
Stanislaus	Storm Drain Maintenance District No. 8 (Stanislaus)	No	773.70
Stanislaus	Sunset Oaks Lighting District	No	420.40
Stanislaus	Sylvan Village Lighting District No. 2	No	143.00
Stanislaus	Tempo Park Lighting District	No	218.10
Stanislaus	Turlock Irrigation District	Yes	786,590.00
Stanislaus	Waterford Lighting District	No	1,501.60
Stanislaus	West Stanislaus Irrigation District	Yes	228,310.00
Stanislaus	West Stanislaus Resource Conservation District	No	1,192.50
Stanislaus	Westley Community Services District	No	1,565.00
Sutter	El Cerrito Drainage District (Sutter)	No	47.50
Sutter	Fairview Cemetery District	No	2,625.20
Sutter	Gilsizer Drainage District (Sutter)	No	23,519.80
Sutter	Levee District No. 9 (Sutter)	No	4,158.70
Sutter	Live Oak Cemetery District	No	4,551.60
Sutter	Nicolaus Cemetery District	No	1,170.00
Sutter	Pleasant Grove Cemetery District	No	1,258.90
Sutter	Reclamation District No. 1001	Yes	60,887.10
Sutter	Reclamation District No. 2054	Yes	2,986.70
Sutter	Reclamation District No. 2056	Yes	3,542.60
Sutter	Reclamation District No. 777	Yes	3,985.80
Sutter	Rio Ramaza Community Services	No	717.90
Sutter	Sutter Cemetery District	No	28,048.90
Sutter	Sutter County Consolidated Street Lighting District	No	5,665.90
Sutter	Sutter County Water Agency	No	7,903.30
Tehama	Corning Cemetery District	No	8,618.00
Tehama	Corning Water District	No	3,773.00
Tehama	Deer Creek Irrigation District	No	2,930.10
Tehama	Kirkwood Cemetery District	No	228.80
Tehama	Los Molinos Cemetery District	No	2,683.20
Tehama	Los Molinos Lighting District	No	848.20

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

Appendix C

County	Entity Name	Multi County	Property Tax Reduction Required
Tehama	Manton Cemetery District	Yes	2,389.60
Tehama	Paskenta Cemetery District	No	847.70
Tehama	Paskenta Community Services District	No	396.00
Tehama	Red Bluff Cemetery District	No	15,017.20
Tehama	Rio Alto Water District	No	53,142.00
Tehama	Tehama Cemetery District	No	1,625.20
Tehama	Tehama County Flood Control and Water Conservation District	No	12,804.00
Tehama	Vina Cemetery District	No	174.80
Trinity	Hayfork Maintenance District (Trinity)	No	724.00
Trinity	Lewiston Community Services District	No	2,960.10
Trinity	Salyer Community Service District	No	275.10
Trinity	Trinity County Waterworks District No. 1	No	8,714.00
Trinity	Weaverville / Douglas City Parks and Recreation District	No	5,642.10
Trinity	Weaverville Lighting District	No	3,385.60
Trinity	Weaverville Sanitary District (Trinity)	No	3,471.00
Tulare	Alpaugh Irrigation District	No	69,631.00
Tulare	Alpine Village-Sequoia Crest Community Services District	No	1,004.20
Tulare	Alta Cemetery District	Yes	9,418.80
Tulare	Deer Creek Storm Water District (Tulare)	Yes	2,461.20
Tulare	Earlimart Public Utility District	No	6,762.00
Tulare	Eshom Valley Cemetery District	No	711.80
Tulare	Exeter District Ambulance	No	12,601.70
Tulare	Exeter Public Cemetery District	No	3,152.50
Tulare	Goshen Community Services District	No	11,700.00
Tulare	Ivanhoe Irrigation District	No	95,287.00
Tulare	Ivanhoe Public Utility District	No	59,256.50
Tulare	Kaweah Delta Water Conservation District	Yes	208,996.30
Tulare	Lemon Cove Sanitary District (Tulare)	No	1,803.40
Tulare	Lindsay - Strathmore Cemetery District	No	6,016.80
Tulare	London Community Services District	No	8,475.00
Tulare	Lower Tule River Irrigation District	No	90,748.00
Tulare	Orosi Public Utility District	No	47,701.00
Tulare	Pixley Irrigation District	No	191,485.00
Tulare	Ponderosa Community Services District	No	78.55
Tulare	Poplar Community Service District	No	3,581.00
Tulare	Porter Vista Public Utility District	No	50,894.20
Tulare	Porterville Cemetery District	No	14,454.00
Tulare	Richgrove Community Services District	No	33,553.00
Tulare	Southern Tulare County Citrus Pest Control District	No	44,197.70
Tulare	Springville Public Utility District	No	13,676.00
Tulare	Strathmore Public Utility District	No	52,478.00
Tulare	Sultana Community Services District	No	5,606.00
Tulare	Terra Bella Sewer Maintenance District	No	18,227.70
Tulare	Teviston Community Services District	No	243.00
Tulare	Three Rivers Cemetery District	No	360.00
Tulare	Three Rivers Community Services District	No	11,127.60
Tulare	Tipton Community Services District	No	6,365.00
Tulare	Tipton-Pixley Cemetery District	No	3,771.10
Tulare	Tulare Cemetery District	No	6,684.90
Tulare	Tulare County Flood Control District	No	31,402.50
Tulare	Tulare County Resource Conservation District	No	38.70
Tulare	Tulare County Waterworks District No. 1 (Tulare)	No	3,845.00
Tulare	Tulare Irrigation District	No	153,644.00

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

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County	Entity Name	Multi County	Property Tax Reduction Required
Tulare	Vandalia Irrigation District	No	15,824.00
Tulare	Visalia Cemetery District	No	5,587.00
Tulare	Woodlake Cemetery District	No	2,817.60
Tulare	Woodville Cemetery District	No	3,712.90
Tulare	Woodville Public Utility District	No	29,612.00
Tuolumne	Carters Cemetery District	No	2,587.60
Tuolumne	Columbia Cemetery District	No	1,046.30
Tuolumne	Columbia Lighting District	No	1,807.80
Tuolumne	County Service Area No. 10 (Tuolumne)	No	129.30
Tuolumne	County Service Area No. 11 (Tuolumne)	No	6.30
Tuolumne	County Service Area No. 13 (Tuolumne)	No	502.10
Tuolumne	County Service Area No. 2 (Tuolumne)	No	188.70
Tuolumne	County Service Area No. 20 (Tuolumne)	No	1,294.80
Tuolumne	County Service Area No. 3 (Tuolumne)	No	1,052.30
Tuolumne	County Service Area No. 4 (Tuolumne)	No	24.80
Tuolumne	County Service Area No. 5 (Tuolumne)	No	422.00
Tuolumne	County Service Area No. 8 (Tuolumne)	No	11.10
Tuolumne	Groveland Community Services District	No	287,907.00
Tuolumne	Groveland Lighting District	No	1,211.10
Tuolumne	Jamestown Cemetery District	No	213.70
Tuolumne	Jamestown Lighting District	No	1,541.30
Tuolumne	Jamestown Sanitary District (Tuolumne)	No	57,800.00
Tuolumne	Mono Village Water District	No	8,016.00
Tuolumne	Oak Grove Cemetery District (Tuolumne)	No	488.60
Tuolumne	Rolling Hills Lighting District	No	312.50
Tuolumne	Shaws Flat-Springfield Cemetery District	No	308.50
Tuolumne	South Sonora Maintenance District (Tuolumne)	No	415.40
Tuolumne	Tuolumne Lighting District	No	1,599.50
Tuolumne	Tuolumne Park and Recreation District	No	8,297.50
Tuolumne	Tuolumne Sanitary District	No	24,539.60
Tuolumne	Tuolumne Utilities District	No	398,708.00
Tuolumne	Twain Harte Community Services District	No	7,254.84
Tuolumne	Valle Vista Lighting District	No	221.20
Tuolumne	Volponi Acres Lighting District	No	403.50
Ventura	Bardsdale Cemetery District	No	1,389.40
Ventura	Bell Canyon Community Services District	No	30,811.40
Ventura	Calleguas Municipal Water District	No	3,586,397.00
Ventura	Camarillo Lighting Maintenance District (Ventura)	No	103,557.10
Ventura	Camarillo Sanitary District (Ventura)	No	652,184.00
Ventura	Camrosa Water District	No	230,264.00
Ventura	Casitas Municipal Water	No	1,038,637.00
Ventura	Channel Islands Beach Community Services District	No	87,933.00
Ventura	Conejo Recreation and Park District	No	740,713.90
Ventura	County Service Area No. 14 (Ventura)	No	19,539.50
Ventura	County Service Area No. 3 (Ventura)	No	419.40
Ventura	County Service Area No. 32 (Ventura)	No	1,509.30
Ventura	County Service Area No. 4 (Ventura)	No	40,765.20
Ventura	El Rancho Simi Pioneer Cemetery District	No	3,382.50
Ventura	Hidden Valley Municipal Water District	No	4,056.40
Ventura	Meiners Oaks County Water District	No	58,576.00
Ventura	Montalvo Municipal Improvement District	No	47,210.60
Ventura	Ocean View Municipal Water District	No	740.00
Ventura	Ojai Valley Sanitary District (Ventura)	No	244,005.00

**Educational Revenue Augmentation Fund Shift, by Special District
For the 2004-05 and 2005-06 Fiscal Years**

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County	Entity Name	Multi County	Property Tax Reduction Required
Ventura	Ojai Water Conservation District	No	407.70
Ventura	Oxnard Drainage District No. 1 (Ventura)	No	3,723.40
Ventura	Oxnard Drainage District No. 2 (Ventura)	No	10,407.10
Ventura	Piru Cemetery District	No	339.00
Ventura	Pleasant Valley County Water District	No	104,155.00
Ventura	Pleasant Valley Recreation and Park District	No	385,899.20
Ventura	Rancho Simi Recreation and Park District	No	736,921.80
Ventura	Russell Valley Municipal Water District	No	12,791.90
Ventura	Saticoy Sanitary District (Ventura)	No	15,454.00
Ventura	Simi Valley Lighting Maintenance (Ventura)	No	150,873.60
Ventura	United Water Conservation District	No	568,004.16
Ventura	Ventura County Resource Conservation	No	229.60
Ventura	Ventura County Watershed Protection District	No	1,001,425.30
Ventura	Ventura Port District	No	565,512.90
Ventura	Ventura Region Sanitation District	No	2,463.00
Ventura	Ventura River County Water District	No	18,054.00
Yolo	Cacheville Community Services District	No	2,492.00
Yolo	Capay Cemetery District	No	2,880.20
Yolo	Cottonwood Cemetery District (Yolo)	No	583.70
Yolo	County Service Area No. 6 (Yolo)	No	2,168.00
Yolo	Davis Cemetery District	No	10,651.30
Yolo	El Macero County Service Area (Yolo)	No	40,759.30
Yolo	Esparto Community Services District	No	26,173.00
Yolo	Flood Control Maintenance Area District No. 4	No	2,507.50
Yolo	Knights Landing Cemetery District	No	1,340.80
Yolo	Knights Landing Community Services District	No	7,883.00
Yolo	Marys Cemetery District	No	1,367.40
Yolo	Reclamation District No. 307	No	3,146.50
Yolo	Reclamation District No. 827	No	544.80
Yolo	Special Road Maintenance No. 3	No	121.20
Yolo	Storm Drain Maintenance District No. 1 (Yolo)	No	1,760.90
Yolo	Winters Cemetery District	Yes	11,484.80
Yolo	Yolo County Flood Control and Water Conservation District	No	379,971.00
Yolo	Yolo County Resource Conservation District	Yes	721.40
Yuba	Browns Valley Cemetery District	No	1,130.80
Yuba	Brownsville Cemetery District	No	1,350.00
Yuba	City of Marysville Levee District (Yuba)	No	3,217.60
Yuba	County Service Area No. 2 (Yuba)	No	373.90
Yuba	County Service Area No. 4 (Yuba)	No	113.30
Yuba	Keystone Cemetery District	No	1,937.10
Yuba	Linda Street Lighting District (Yuba)	No	3,974.50
Yuba	Olivehurst Public Utility District	No	64,074.14
Yuba	Peoria Cemetery District	No	1,773.90
Yuba	Reclamation District No. 10	No	1,691.10
Yuba	Reclamation District No. 2103	Yes	312.90
Yuba	Reclamation District No. 817	Yes	863.40
Yuba	Smartville Cemetery District	No	48.40
Yuba	Strawberry Valley Cemetery District	No	87.20
Yuba	Wheatland Cemetery District	No	4,243.90
Yuba	Yuba County Water Agency	No	99,726.05
Yuba	Yuba County Water District	Yes	72,958.40

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interest on any debts or obligations that were funded or secured by that city's or county's allocated share of motor vehicle license fee revenues.

(f) This section shall not be construed to do any of the following:

(1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to county superintendents of schools, cities, counties, and cities and counties pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing with Section 98) had this section not been enacted. The allocations required by this section shall be adjusted to comply with this paragraph.

(2) Require an increased ad valorem property tax revenue allocation or increased tax increment allocation to a community redevelopment agency.

(3) Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is otherwise determined or allocated in a county.

(4) Reduce ad valorem property tax revenue allocations required under Article 4 (commencing with Section 98).

(g) Tax exchange or revenue sharing agreements, entered into prior to the operative date of this section, between local agencies or between local agencies and nonlocal agencies are deemed to be modified to account for the reduced vehicle license fee revenues resulting from the act that added this section. These agreements are modified in that these reduced revenues are, in kind and in lieu thereof, replaced with ad valorem property tax revenue from a Vehicle License Fee Property Tax Compensation Fund or an Educational Revenue Augmentation Fund.

SEC. 22. Section 97.71 is added to the Revenue and Taxation Code, to read:

97.71. Notwithstanding any other provision of law, for each of the 2004–05 and 2005–06 fiscal years, all of the following apply:

(a) (1) The total amount of revenue required to be allocated to each county and each city and county under Section 97.70 shall be reduced by the dollar amount indicated as follows:

	Property Tax Reduction per County
Alameda	\$ 14,993,115
Alpine	13,578
Amador	341,856
Butte	1,968,640
Calaveras	367,372

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Colusa	10	227,244
Contra Costa		9,266,091
Del Norte		260,620
El Dorado		1,465,981
Fresno		7,778,611
Glenn		302,192
Humboldt		1,433,725
Imperial		1,499,081
Inyo		188,370
Kern		6,684,032
Kings		1,409,501
Lake		531,524
Lassen		317,119
Los Angeles	103,217,625	
Madera		1,164,287
Marin		2,369,777
Mariposa		177,419
Mendocino		997,570
Merced		2,211,012
Modoc		119,325
Mono		92,964
Monterey		3,789,991
Napa		1,128,692
Nevada		503,547
Orange		27,730,861
Placer		2,219,818
Plumas		238,066
Riverside		14,161,003
Sacramento		12,232,737
San Benito		477,872
San Bernardino		16,361,855
San Diego		27,470,228
San Francisco		15,567,648
San Joaquin		6,075,964
San Luis Obispo		2,350,289
San Mateo		6,704,877
Santa Barbara		3,894,357
Santa Clara	17,155,293	
Santa Cruz		2,433,423

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Shasta	1,592,267
Sierra	37,051
Siskiyou	496,974
Solano	3,796,251
Sonoma	4,439,389
Stanislaus	4,516,707
Sutter	764,351
Tehama	618,393
Trinity	104,770
Tulare	3,781,964
Tuolumne	515,961
Ventura	7,085,556
Yolo	1,735,079
Yuba	620,137

(2) The total amount of reductions for all counties and cities and counties determined pursuant to this subdivision is three hundred fifty million dollars (\$350,000,000) for the 2004–05 fiscal year and that same amount for the 2005–06 fiscal year.

(b) (1) (A) The total amount of revenue required to be allocated to each city and each city and county under Section 97.70 shall be reduced by the sum of the following three amounts:

(i) The product of the following two amounts:

(I) The percentage represented by the following fraction:

(Ia) The numerator is the total amount of money allocated to the city or city and county from the Motor Vehicle License Fee Account in the Transportation Tax Fund for the 2002–03 fiscal year, as reported in the 2002–03 edition of the State Controller’s Cities Annual Report.

(Ib) The denominator is the total amount of money allocated among all cities and cities and counties from the Motor Vehicle License Fee Account in the Transportation Tax Fund for the 2002–03 fiscal year, as reported in the 2002–03 edition of the State Controller’s Cities Annual Report.

(II) The product of the following two amounts:

(IIa) Thirty-three and one-third percent.

(IIb) Three hundred fifty million dollars (\$350,000,000).

(ii) The product of the following two amounts:

(I) The percentage represented by the following fraction:

(Ia) The numerator is the total amount of money transmitted to the city or city and county under Section 7204 for the 2002–03 fiscal year, as reported in the 2002–03 edition of the State Controller’s Cities Annual Report.

State Controller's Office
Division of Accounting and Reporting
Reductions to Amounts Allocated Under Revenue and Taxation Code Section 97.70
In Accordance With Revenue and Taxation Code Section 97.71(b)(1) and (2)

Appendix E

County	City	MVLV 2002-03 81.25%	Sales Tax					Property Taxes Allocated	R&T 97.71(b)(2)iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts
			R&T 97.71(b)(1) San Francisco	R&T 97.71(b)(2)(i) Cities	2002-03 Sec 7204 Table 21A	R&T 97.71(b)(2)ii) Cities								
ALAMEDA	Alameda	\$4,255,445.74		\$300,753.64	\$5,439,014	\$157,736.15	\$14,117,211	\$554,390.16	\$1,012,879.95	\$46,430,208	\$928,604.16	\$1,857,208.32	\$990,740.84	
	Albany	955,756.95		67,548.13	1,254,025	36,367.82	2,298,163	90,250.05	194,166.00	9,828,075	196,561.50	393,123.00	196,561.50	
	Berkeley	5,966,522.22		421,683.97	13,681,625	396,779.06	26,698,166	1,048,450.75	1,866,913.78	89,798,606	1,795,972.12	3,591,944.24	1,826,107.55	
	Dublin	1,911,970.23		135,128.50	13,178,836	382,197.74	10,326,425	405,524.04	922,850.28	29,324,015	586,480.30	1,172,960.60	902,679.00	
	Emeryville	416,218.59		29,416.25	7,408,342	214,848.38	1,051,998	41,312.50	285,577.13	21,760,327	435,206.54	870,413.08	435,206.54	
	Fremont	11,897,964.98		840,888.71	25,296,773	733,628.48	31,307,124	1,229,446.91	2,803,964.10	92,032,251	1,840,645.02	3,681,290.04	2,742,676.21	
	Hayward	8,231,054.71		581,729.81	25,730,762	746,214.54	16,964,022	666,185.90	1,994,130.25	75,591,147	1,511,822.94	3,023,645.88	1,950,543.37	
	Livermore	4,372,377.06		309,017.76	16,541,455	479,716.62	14,740,179	578,854.43	1,367,588.81	48,241,366	964,827.32	1,929,654.64	1,337,696.62	
	Newark	2,491,037.14		176,054.06	10,841,741	314,419.95	7,726,330	303,416.97	793,890.98	27,347,001	546,940.02	1,093,880.04	776,538.44	
	Oakland	23,345,829.77		1,649,966.58	35,798,491	1,038,187.47	61,972,900	2,433,707.76	5,121,861.81	307,654,142	6,153,082.84	12,306,165.68	6,153,082.84	
	Piedmont	635,308.03		44,900.40	170,132	4,933.98	5,843,857	229,491.28	279,325.66	12,230,878	244,617.56	489,235.12	273,220.27	
	Pleasanton	3,775,342.68		266,822.35	16,671,109	483,476.70	29,865,279	1,172,824.92	1,923,123.97	60,851,475	1,217,029.50	2,434,059.00	1,881,089.12	
	San Leandro	4,638,638.30		327,835.77	20,411,179	591,942.00	7,184,351	282,133.17	1,201,910.94	55,859,327	1,117,186.54	2,234,373.08	1,175,640.07	
	Union City	4,005,098.55		283,060.35	7,419,153	215,161.91	7,387,263	290,101.63	788,323.89	23,991,432	479,828.64	959,657.28	771,093.03	
	AMADOR	Amador	11,750.19		830.44	13,982	405.49	18,047	708.72	1,944.65	2,239.88	4,479.76	2,239.88	
Ione		425,287.87		30,057.22	121,304	3,517.92	276,632	10,863.48	44,438.62	1,086,064	21,721.28	43,442.56	43,442.56	
Jackson		229,984.02		16,254.12	1,150,233	33,357.76	466,759	18,329.87	67,941.75	2,498,665	49,973.30	99,946.60	66,456.71	
Plymouth		58,807.91		4,156.25	113,729	3,298.24	113,241	4,447.03	11,901.52	390,766	7,815.32	15,630.64	11,641.38	
Sutter Creek		135,355.18		9,566.23	362,669	10,517.72	278,316	10,929.61	31,013.56	1,006,155	20,123.10	40,246.20	30,335.68	
BUTTE	Biggs	103,184.80		7,292.59	16,764	486.17	74,933	2,942.66	10,721.42	575,595	11,511.90	23,023.80	11,511.90	
	Chico	3,808,368.65		269,156.46	13,928,717	403,944.94	2,927,823	114,977.12	788,078.52	28,472,581	569,451.62	1,138,903.24	770,853.02	
	Gridley	321,418.63		22,716.26	844,029	24,477.58	282,706	11,102.01	58,295.85	1,695,348	33,906.96	67,813.92	57,021.64	
	Oroville	745,965.03		52,721.08	2,767,202	80,251.27	397,467	15,608.73	148,581.08	6,153,466	123,069.32	246,138.64	145,333.46	
CALAVERAS	Paradise	1,513,776.19		106,986.14	1,545,810	44,829.84	3,177,939	124,799.30	276,615.28	6,868,409	137,368.18	274,736.36	274,736.36	
	Angels Camp	187,147.20		13,226.63	628,967	18,240.59	326,442	12,819.55	44,286.77	1,473,656	29,473.12	58,946.24	43,318.77	
COLUSA	Colusa	316,513.19		22,369.57	900,921	26,127.49	533,847	20,964.45	69,461.51	2,094,904	41,898.08	83,796.16	67,943.25	
	Williams	221,770.32		15,673.62	484,478	14,050.28	419,963	16,492.16	46,216.06	1,532,048	30,640.96	61,281.92	45,205.89	
CONTRA COSTA	Antioch	5,517,733.94		389,965.86	8,737,884	253,406.26	6,191,546	243,145.21	886,517.33	24,397,968	487,959.36	975,918.72	867,140.20	
	Brentwood	1,690,713.31		119,491.17	2,342,517	67,935.04	3,739,388	146,847.70	334,273.91	7,968,310	159,366.20	318,732.40	318,732.40	
	Clayton	626,523.91		44,279.58	402,221	11,664.76	574,861	22,575.09	78,519.43	2,703,593	54,071.86	108,143.72	76,803.18	
	Concord	7,082,104.34		500,527.74	27,051,103	784,505.58	7,918,284	310,955.10	1,595,988.42	53,638,132	1,072,762.64	2,145,525.28	1,561,103.96	
	Danville	2,452,877.58		173,357.13	3,942,432	114,333.97	4,898,778	192,377.54	480,068.64	14,148,191	282,963.82	565,927.64	469,575.50	
	El Cerrito	1,343,341.63		94,940.67	2,985,462	86,581.00	3,495,212	137,258.78	318,780.45	13,239,034	264,780.68	529,561.36	311,812.68	
	Hercules	1,148,779.25		81,189.98	983,417	28,519.95	788,997	30,984.32	140,694.25	5,948,888	118,977.76	237,955.52	137,619.01	
	Lafayette	1,392,395.77		98,407.57	2,255,221	65,403.38	2,214,921	86,981.09	250,792.04	7,510,039	150,200.78	300,401.56	245,310.33	
	Martinez	2,094,212.03		148,008.44	2,649,796	76,846.40	4,663,276	183,129.25	407,984.09	14,359,546	287,190.92	574,381.84	399,066.54	
	Moraga	942,580.79		66,616.90	767,140	22,247.73	1,158,426	45,491.99	134,356.62	3,649,160	72,983.20	145,966.40	131,419.91	
	Oakley	1,967,184.68		139,030.78	1,012,076	29,351.09	978,873	38,440.85	206,822.72	4,831,838	96,636.76	193,273.52	193,273.52	
	Orinda	1,017,188.69		71,889.81	809,943	23,489.05	2,235,181	87,776.71	183,155.57	5,903,723	118,074.46	236,148.92	179,152.23	
	Pinole	1,110,448.59		78,480.96	3,151,629	91,399.99	1,183,814	46,488.99	216,369.94	8,324,051	166,481.02	332,962.04	211,640.61	
	Pittsburg	3,417,247.53		241,513.98	6,905,027	200,251.81	1,963,913	77,123.88	518,889.67	19,919,433	398,388.66	796,777.32	507,547.99	
	Pleasant Hill	1,902,843.91		134,483.50	6,824,100	197,904.85	1,605,453	63,046.97	395,435.32	15,463,550	309,271.00	618,542.00	386,792.06	
	Richmond	5,801,848.61		410,045.67	12,087,854	350,558.31	21,608,861	848,591.12	1,609,195.10	75,466,790	1,509,335.80	3,018,671.60	1,574,021.98	
	San Pablo	1,767,146.48		124,893.08	1,774,901	51,473.68	218,478	8,579.74	184,946.50	9,846,171	196,923.42	393,846.84	196,923.42	
	San Ramon	2,637,343.93		186,394.29	7,907,831	229,334.00	7,720,025	303,169.36	718,897.65	25,119,351	502,387.02	1,004,774.04	703,184.28	
	Walnut Creek	3,757,945.59		265,592.81	18,084,243	524,458.82	7,743,443	304,089.00	1,094,140.63	40,075,638	801,512.76	1,603,025.52	1,070,225.35	
DEL NORTE	Crescent City	452,126.12		31,954.01	846,460	24,548.08	101,013	3,966.83	60,468.92	2,331,737	46,634.74	93,269.48	59,147.22	
	Placerville	584,029.33		41,276.27	3,486,529	101,112.38	104,914	4,120.03	146,508.68	0	0.00	0.00	143,306.35	
EL DORADO	South Lake Tahoe	1,366,442.69		96,573.34	3,638,904	105,531.39	4,030,759	158,289.99	360,394.72	17,533,589	350,671.78	701,343.56	352,517.36	
	FRESNO	Clovis	4,152,945.39	293,509.43	11,068,774	321,004.10	4,488,909	176,281.77	790,795.30	21,886,977	437,739.54	875,479.08	773,510.42	
FRESNO	Coalinga	985,432.29		69,645.43	657,568	19,070.05	202,835	7,965.44	96,680.92	3,909,017	78,180.34	156,360.68	94,567.71	
	Firebaugh	339,614.28		24,002.24	648,375	18,803.44	102,099	4,009.48	46,815.16	1,790,324	35,806.48	71,612.96	45,791.89	
	Fowler	237,342.13		16,774.16	586,855	17,019.31	179,812	7,061.31	40,854.78	1,342,030	26,840.60	53,681.20	39,961.79	
	Fresno	25,204,125.67		1,781,301.65	56,899,314	1,650,129.74	36,856,242	1,447,363.64	4,878,795.03	137,510,697	2,750,213.94	5,500,427.88	4,772,156.34	
	Huron	377,545.67		26,683.04	133,441	3,869.91	28,494	1,118.97	31,671.92	860,935	17,218.70	34,437.40	30,979.65	

State Controller's Office
Division of Accounting and Reporting
Reductions to Amounts Allocated Under Revenue and Taxation Code Section 97.70
In Accordance With Revenue and Taxation Code Section 97.71(b)(1) and (2)

County	City	MVLV 2002-03 81.25%	R&T 97.71(b)(1) San Francisco	R&T 97.71(b)(2)(i) Cities	Sales Tax		R&T 97.71(b)(2)(ii) Cities	Property Taxes Allocated	R&T 97.71(b)(2)(iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts
					2002-03 Sec 7204 Table 21A									
HUMBOLDT	Kerman	545,812.75		38,575.32	597,099		17,316.39	267,168	10,491.83	66,383.54	1,779,002	35,580.04	71,160.08	64,932.56
	Kingsburg	573,077.74		40,502.27	594,097		17,229.33	462,755	18,172.63	75,904.23	2,760,355	55,207.10	110,414.20	74,245.15
	Mendota	464,645.25		32,838.80	325,350		9,435.43	33,333	1,309.00	43,583.23	1,204,574	24,091.48	48,182.96	42,630.61
	Orange Cove	485,464.78		34,310.22	122,038		3,539.21	30,830	1,210.71	39,060.14	1,137,007	22,740.14	45,480.28	38,206.38
	Parlier	687,784.51		48,609.17	194,649		5,644.99	111,777	4,389.54	58,643.70	2,107,438	42,148.76	84,297.52	57,361.89
	Reedley	1,219,679.58		86,200.86	1,357,474		39,367.93	721,727	28,342.59	153,911.38	4,183,458	83,669.16	167,338.32	150,547.25
	Sanger	1,120,943.91		79,222.71	1,464,559		42,473.49	746,551	29,317.44	151,013.64	5,211,261	104,225.22	208,450.44	147,712.85
	San Joaquin	194,676.44		13,758.76	116,983		3,392.61	26,147	1,026.81	18,178.18	774,266	15,485.32	30,970.64	17,780.85
	Selma	1,160,016.10		81,984.14	3,926,954		113,885.09	690,121	27,101.41	222,970.64	6,612,758	132,255.16	264,510.32	218,097.04
	Orland	363,399.85		25,683.29	701,668		20,348.98	502,643	19,739.05	65,771.32	1,721,410	34,428.20	68,856.40	64,333.72
	Willows	358,608.49		25,344.66	800,972		23,228.89	519,545	20,402.80	68,976.35	2,322,834	46,456.68	92,913.36	67,468.69
	Arcata	966,537.45		68,310.04	1,565,128		45,390.08	453,916	17,825.52	131,525.64	4,788,399	95,767.98	191,535.96	128,650.81
	Blue Lake	66,337.17		4,688.38	46,924		1,360.84	67,755	2,660.77	8,709.99	386,179	7,723.58	15,447.16	8,519.61
	Eureka	1,498,489.56		105,905.75	7,640,617		221,584.56	1,031,832	40,520.58	368,010.89	14,636,219	292,724.38	585,448.76	359,967.06
	Ferndale	81,851.95		5,784.89	131,869		3,824.32	73,369	2,881.24	12,490.45	425,342	8,506.84	17,013.68	12,217.44
IMPERIAL	Fortuna	612,720.30		43,304.01	1,177,306		34,142.90	207,341	8,142.39	85,589.30	2,506,499	50,129.98	100,259.96	83,718.52
	Rio Dell	181,785.48		12,847.69	71,836		2,083.31	48,677	1,911.57	16,842.57	0	0.00	0.00	16,474.43
	Trinidad	17,967.50		1,269.85	75,562		2,191.36	46,746	1,835.74	5,296.95	189,360	3,787.20	7,574.40	5,181.17
	Brawley	1,330,735.85		94,049.76	1,412,007		40,949.43	1,218,783	47,862.24	182,861.43	5,313,878	106,277.56	212,555.12	178,864.52
	Calexico	1,734,576.81		122,591.22	4,357,010		126,357.09	935,128	36,722.96	285,671.27	8,652,332	173,046.64	346,093.28	279,427.18
	Calipatria	438,407.02		30,984.42	105,171		3,050.05	75,319	2,957.82	36,992.29	909,889	18,197.78	36,395.56	36,395.56
	El Centro	2,278,792.49		161,053.67	6,347,814		184,092.14	2,097,410	82,366.37	427,512.18	12,106,043	242,120.86	484,241.72	418,167.79
	Holtville	337,560.84		23,857.11	148,426		4,304.48	207,042	8,130.65	36,292.24	1,297,732	25,954.64	51,909.28	35,498.98
	Imperial	472,516.74		33,395.12	795,768		23,077.97	800,465	31,434.67	87,907.76	2,676,362	53,527.24	107,054.48	85,986.31
	Westmorland	129,708.25		9,167.13	127,712		3,703.76	31,861	1,251.20	14,122.09	267,657	5,353.14	10,706.28	10,706.28
	Bishop	206,825.90		14,617.42	1,699,969		49,300.58	316,747	12,438.82	76,356.82	3,720,566	74,411.32	148,822.64	74,687.84
	Arvin	772,146.22		54,571.44	398,826		11,566.30	99,500	3,907.42	70,045.16	1,860,281	37,205.62	74,411.24	68,514.14
	Bakersfield	14,711,333.34		1,039,723.52	45,325,335		1,314,474.25	20,993,399	824,421.61	3,178,619.38	99,735,875	1,994,717.50	3,989,435.00	3,109,142.43
	California City	617,055.31		43,610.39	198,272		5,750.06	828,963	32,553.80	81,914.25	2,331,049	46,620.98	93,241.96	80,123.80
	Delano	2,333,151.30		164,895.47	2,351,892		68,206.92	1,259,028	49,442.68	282,545.07	6,935,227	138,704.54	277,409.08	277,409.08
KINGS	Maricopa	64,854.09		4,583.56	15,712		455.66	43,455	1,706.50	6,745.72	226,698	4,533.96	9,067.92	6,598.27
	McFarland	565,947.80		39,998.36	160,512		4,654.99	182,212	7,155.56	51,808.91	1,143,569	22,871.38	45,742.76	45,742.76
	Ridgecrest	1,456,679.46		102,950.82	2,567,863		74,470.27	366,262	14,383.30	191,804.39	6,252,780	125,055.60	250,111.20	187,612.01
	Shafter	753,551.30		53,257.24	1,876,919		54,432.29	389,652	15,301.84	122,991.37	4,798,788	95,975.76	191,951.52	120,303.08
	Taft	531,653.42		37,574.61	1,237,274		35,882.03	408,747	16,051.71	89,508.35	3,253,266	65,065.32	130,130.64	87,551.91
	Tehachapi	652,134.73		46,089.62	922,764		26,760.96	464,191	18,229.02	91,079.60	2,397,626	47,952.52	95,905.04	89,088.82
	Wasco	1,253,218.93		88,571.25	825,622		23,943.76	321,883	12,640.51	125,155.52	2,705,760	54,115.20	108,230.40	108,230.40
	Avenal	894,895.62		63,246.75	149,707		4,341.63	126,695	4,975.38	72,563.76	1,444,384	28,887.68	57,775.36	57,775.36
	Corcoran	1,265,347.05		89,428.41	816,821		23,688.52	154,017	6,048.33	119,165.26	2,736,980	54,739.60	109,479.20	109,479.20
	Hanford	2,516,077.54		177,823.79	5,759,090		167,018.63	2,341,686	91,959.22	436,801.64	12,756,683	255,133.66	510,267.32	427,254.21
	Lemoore	1,190,475.26		84,136.84	1,532,990		44,458.05	617,926	24,266.27	152,861.16	4,598,230	91,964.60	183,929.20	149,519.98
	Clearlake	764,388.81		54,023.18	1,092,373		31,679.77	587,056	23,053.99	108,756.94	2,854,364	57,087.28	114,174.56	106,379.78
	Lakeport	282,574.59		19,970.96	1,222,444		35,451.94	332,215	13,046.25	68,469.15	2,658,531	53,170.62	106,341.24	66,972.58
	Susanville	1,085,768.16		76,736.67	1,671,291		48,468.90	641,319	25,184.93	150,390.50	3,920,437	78,408.74	156,817.48	147,103.33
	Agoura Hills	1,232,627.58		87,115.96	3,070,419		89,044.83	1,577,453	61,947.39	238,108.18	8,116,694	162,333.88	324,667.76	232,903.71
LOS ANGELES	Alhambra	5,019,549.34		354,756.66	12,020,344		348,600.46	6,511,802	255,721.82	959,078.94	29,917,873	598,357.46	1,196,714.92	938,115.79
	Arcadia	3,131,421.68		221,313.24	7,203,813		208,916.86	5,150,655	202,268.88	632,498.98	28,400,343	568,006.86	1,136,013.72	618,674.08
	Artesia	960,662.38		67,894.82	1,858,621		53,901.63	446,757	17,544.38	139,340.83	5,204,748	104,094.96	208,189.92	136,295.18
	Avalon	183,268.51		12,952.50	629,742		18,263.07	913,191	35,861.48	67,077.05	4,001,645	80,032.90	160,065.80	80,032.90
	Azusa	2,630,442.12		185,906.50	3,935,086		114,120.93	2,615,750	102,721.85	402,749.28	21,736,870	434,737.40	869,474.80	434,737.40
	Baldwin Park	4,496,039.10		317,757.58	4,359,899		126,440.87	2,610,279	102,507.00	546,705.45	15,070,602	301,412.04	602,824.08	534,755.79
	Bell	2,165,682.77		153,059.64	2,310,859		67,016.93	448,577	17,615.85	237,692.42	9,147,839	182,956.78	365,913.56	232,497.04
	Bellflower	4,281,227.65		302,575.78	5,219,940		151,382.81	1,520,930	59,727.71	513,686.30	17,611,563	352,231.26	704,462.52	502,458.36
	Bell Gardens	2,602,834.90		183,955.36	1,413,819		41,001.98	545,516	21,422.69	246,380.03	16,924,744	338,494.88	676,989.76	338,494.88
	Beverly Hills	1,988,631.60		140,546.54	18,428,794		534,451.10	18,445,489	724,363.87	1,399,361.51	95,583,779	1,911,675.58	3,823,351.16	1,911,675.58
	Bradbury	50,993.45		3,603.96	0		0.00	138,473	5,437.91	9,041.87	493,245	9,864.90	19,729.80	9,864.90

State Controller's Office
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Appendix E

County	City	MVLV 2002-03 81.25%	R&T 97.71(b)(1) San Francisco	Sales Tax		R&T 97.71(b)(2)(i) Cities	R&T 97.71(b)(2)(ii) Cities	Property Taxes Allocated	R&T 97.71(b)(2)(iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts
				2002-03 Sec 7204 Table 21A	2002-03 Sec 7204 Table 21A									
	Burbank	5,865,676.03		414,556.67	23,789,723	689,922.72		20,061,443	787,823.22	1,892,302.61	81,818,532	1,636,370.64	3,272,741.28	1,850,941.44
	Calabasas	1,182,432.68		83,568.43	4,758,646	138,004.89		2,759,955	108,384.86	329,958.18	12,598,054	251,961.08	503,922.16	322,746.09
	Carson	5,332,469.07		376,872.27	19,021,351	551,635.77		5,738,570	225,356.60	1,153,864.64	40,227,904	804,558.08	1,609,116.16	1,128,643.94
	Cerritos	3,031,259.98		214,234.31	25,958,431	752,817.14		3,800,143	149,233.58	1,116,285.03	48,625,619	972,512.38	1,945,024.76	1,091,885.73
	Claremont	2,027,817.87		143,316.03	4,126,280	119,665.72		2,429,550	95,409.68	358,391.43	15,586,845	311,736.90	623,473.80	350,557.86
	Commerce	743,398.20		52,539.67	10,776,978	312,541.76		1,928,774	75,743.95	440,825.38	17,803,571	356,071.42	712,142.84	431,190.00
	Compton	5,514,482.67		389,736.08	5,058,115	146,689.75		3,225,183	126,654.60	663,080.43	29,036,076	580,721.52	1,161,443.04	648,587.09
	Covina	2,744,407.40		193,961.00	7,010,006	203,296.29		3,866,456	151,837.72	549,095.01	20,044,943	400,898.86	801,797.72	537,093.12
	Cudahy	1,444,358.92		102,080.07	1,057,589	30,671.00		253,802	9,966.94	142,718.01	4,705,943	94,118.86	188,237.72	139,598.54
	Culver City	2,271,833.62		160,561.85	14,825,745	429,959.54		4,446,393	174,612.15	765,133.54	48,520,930	970,418.60	1,940,837.20	970,418.60
	Diamond Bar	3,313,378.26		234,173.02	2,961,392	85,882.95		2,197,559	86,299.28	406,355.25	11,181,479	223,629.58	447,259.16	397,473.30
	Downey	6,308,303.98		445,839.40	13,030,346	377,891.40		6,822,056	267,905.66	1,091,636.46	40,145,926	802,918.52	1,605,837.04	1,067,775.92
	Duarte	1,260,976.32		89,119.50	4,076,442	118,220.37		1,012,346	39,755.35	247,095.22	7,134,044	142,680.88	285,361.76	241,694.31
	El Monte	6,832,498.68		482,886.86	16,648,849	482,831.14		3,266,743	128,286.68	1,094,004.68	40,641,844	812,836.88	1,625,673.76	1,070,092.38
	El Segundo	940,641.47		66,479.84	7,249,379	210,238.31		4,517,307	177,396.98	454,115.13	43,608,061	872,161.22	1,744,322.44	872,161.22
	Gardena	3,413,026.59		241,215.66	7,326,008	212,460.62		3,363,441	132,084.06	585,760.34	28,428,285	568,565.70	1,137,131.40	572,957.03
	Glendale	11,416,892.27		806,888.89	26,977,363	782,367.06		17,313,247	679,900.14	2,269,156.09	93,681,415	1,873,628.30	3,747,256.60	2,219,557.81
	Glendora	2,899,612.40		204,930.11	6,297,420	182,630.67		3,006,517	118,067.47	505,628.25	13,559,008	271,180.16	542,360.32	494,576.44
	Hawaiian Gardens	872,821.24		61,686.64	566,576	16,431.20		395,112	15,516.25	93,634.09	8,066,068	161,321.36	322,642.72	161,321.36
	Hawthorne	4,944,199.91		349,431.34	7,812,238	226,561.72		2,845,878	111,759.10	687,752.16	32,136,903	642,738.06	1,285,476.12	672,719.56
	Hermosa Beach	1,093,735.95		77,299.79	2,522,259	73,147.71		4,667,013	183,276.01	333,723.51	14,723,188	294,463.76	588,927.52	326,429.12
	Hidden Hills	111,740.74		7,897.28	17,651	511.89		363,021	14,256.02	22,665.19	737,661	14,753.22	29,506.44	22,169.78
	Huntington Park	3,627,039.51		256,341.03	4,969,319	144,114.59		1,232,964	48,419.13	448,874.75	16,023,612	320,472.24	640,944.48	439,063.43
	Industry	45,460.63		3,212.93	26,803,811	777,333.90		3,741,736	146,939.90	72,486.73	44,403,062	888,061.24	1,776,122.48	907,214.11
	Inglewood	6,625,273.51		468,241.22	8,240,655	238,986.18		5,738,723	225,362.61	932,590.01	52,266,356	1,045,327.12	2,090,654.24	1,045,327.12
	Irwindale	85,388.41		6,034.83	3,690,088	107,015.77		1,244,112	48,856.92	161,907.52	6,907,316	338,146.32	676,292.64	338,146.32
	La Canada Flintridge	1,194,753.24		84,439.19	1,815,541	52,652.27		1,955,747	76,803.19	213,894.65	6,580,986	131,619.72	263,239.44	209,219.43
	La Habra Heights	338,530.52		23,925.65	102,683	2,977.90		651,790	25,596.13	52,499.68	1,454,442	29,088.84	58,177.68	51,352.16
	Lakewood	4,641,661.42		328,049.43	10,165,711	294,814.49		2,392,773	93,965.43	716,829.35	24,349,754	486,995.08	973,990.16	701,161.19
	La Mirada	2,734,197.32		193,239.40	6,493,971	188,330.82		3,742,369	146,964.76	528,534.98	20,696,397	413,927.94	827,855.88	516,982.48
	Lancaster	7,024,266.09		496,440.03	13,740,272	398,479.87		4,139,161	162,546.99	1,057,466.89	28,320,327	566,406.54	1,132,813.08	1,034,353.21
	La Puente	2,423,730.32		171,297.15	2,382,061	69,081.85		614,951	24,149.44	264,528.44	6,404,962	128,099.24	256,198.48	256,198.48
	La Verne	1,854,474.25		131,064.97	2,963,436	85,942.23		3,737,913	146,789.77	363,796.97	11,449,220	228,984.40	457,968.80	355,845.25
	Lawndale	1,860,691.55		131,504.38	2,125,614	61,644.66		645,516	25,349.75	218,498.79	8,838,127	176,762.54	353,525.08	213,722.93
	Lomita	1,174,618.26		83,016.15	1,355,123	39,299.75		996,899	39,148.74	161,464.64	4,325,618	86,512.36	173,024.72	157,935.41
	Long Beach	27,015,192.69		1,909,298.82	40,986,834	1,188,653.94		53,661,999	2,107,334.39	5,205,287.15	240,053,822	4,801,076.44	9,602,152.88	5,091,512.13
	Los Angeles	217,172,726.10		15,348,683.02	364,612,673	10,574,085.58		600,537,834	23,583,430.58	49,506,199.50	2,388,630,639	47,772,612.78	95,545,225.56	48,424,113.37
	Lynwood	4,130,928.08		291,953.35	2,470,640	71,650.72		1,807,745	70,991.08	434,595.15	14,654,143	293,082.86	586,165.72	425,095.95
	Malibu	744,253.82		52,600.14	2,332,459	67,643.35		3,249,302	127,601.77	247,845.26	10,205,547	204,110.94	408,221.88	242,427.96
	Manhattan Beach	2,023,482.83		143,009.65	6,928,497	200,932.46		8,793,214	345,314.05	689,256.16	30,314,387	606,287.74	1,212,575.48	674,190.68
	Maywood	1,660,995.64		117,390.87	861,957	24,997.50		336,525	13,215.51	155,603.88	4,657,012	93,140.24	186,280.48	152,202.75
	Monrovia	2,165,226.45		153,027.39	7,868,831	228,202.96		4,079,323	160,197.12	541,427.47	16,971,136	339,422.72	678,845.44	529,593.17
	Montebello	3,659,552.13		258,638.86	9,831,012	285,107.92		2,999,704	117,799.92	661,546.70	19,443,996	388,879.92	777,759.84	647,086.88
	Monterey Park	3,572,338.44		252,475.03	4,457,895	129,282.84		5,069,319	199,074.77	580,832.64	20,290,473	405,809.46	811,618.92	568,137.04
	Norwalk	6,083,282.40		429,936.00	7,932,878	230,060.38		4,017,974	157,787.91	817,784.29	28,506,086	570,121.72	1,140,243.44	799,909.50
	Palmdale	7,056,778.71		498,737.85	12,108,234	351,149.35		3,735,938	146,712.21	996,599.41	21,227,549	424,550.98	849,101.96	849,101.96
	Palos Verdes Estates	784,694.99		55,458.32	220,040	6,381.35		3,256,292	127,876.27	189,715.94	9,512,048	190,240.96	380,481.92	190,240.96
	Paramount	3,257,821.60		230,246.55	5,525,394	160,241.25		1,117,167	43,871.72	434,359.52	14,277,278	285,545.56	571,091.12	424,865.47
	Pasadena	7,919,332.84		559,698.87	29,420,155	853,210.16		23,106,023	907,385.44	2,320,294.47	162,940,239	3,258,804.78	6,517,609.56	3,258,804.78
	Pico Rivera	3,744,712.37		264,657.56	5,438,285	157,715.01		2,028,122	79,645.40	502,017.97	15,792,824	315,856.48	631,712.96	491,045.07
	Pomona	8,826,377.94		623,804.29	11,934,273	346,104.33		12,289,372	482,609.98	1,452,518.60	58,256,930	1,165,138.60	2,330,277.20	1,420,770.05
	Rancho Palos Verdes	2,414,033.52		170,611.83	920,476	26,694.61		3,666,861	143,999.52	341,305.96	11,470,282	229,405.64	458,811.28	333,845.83
	Redondo Beach	3,744,997.58		264,677.71	8,075,776	234,204.55		11,181,715	439,111.72	937,993.98	42,600,638	852,012.76	1,704,025.52	917,491.69
	Rolling Hills	109,288.04		7,723.93	1,552	45.01		462,348	18,156.64	25,925.58	907,134	18,142.68	36,285.36	25,358.91
	Rolling Hills Estate	451,640.23		31,919.67	1,470,183	42,636.59		944,406	37,087.31	111,643.57	4,344,840	86,896.80	173,793.60	109,203.31
	Rosemead	3,157,203.61		223,135.37	3,010,693	87,312.72		1,694,140	66,529.75	376,977.84	9,855,830	197,116.60	394,233.20	368,738.01

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		Sales Tax														
County	City	MVLV 2002-03 81.25%	R&T 97.71(b)(1) San Francisco	R&T 97.71(b)(2)(i) Cities	2002-03 Sec 7204 Table 21A	R&T 97.71(b)(2)(ii) Cities	Property Taxes Allocated	R&T 97.71(b)(2)(iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts			
MADERA	San Dimas	2,050,405.55		144,912.42	4,185,849	121,393.27	2,390,212	93,864.86	360,170.55	10,872,576	217,451.52	434,903.04	352,298.09			
	San Fernando	1,394,620.31		98,564.79	4,585,469	132,982.60	1,335,658	52,451.98	283,999.37	9,095,548	181,910.96	363,821.92	277,791.83			
	San Gabriel	2,335,775.12		165,080.91	3,472,293	100,699.53	2,026,820	79,594.27	345,374.71	11,353,234	227,064.68	454,129.36	337,825.65			
	San Marino	757,544.04		53,539.43	445,379	12,916.38	5,537,390	217,456.16	283,911.97	10,208,653	204,173.06	408,346.12	277,706.34			
	Santa Clarita	9,028,754.71		638,107.26	23,829,017	691,062.28	8,047,941	316,046.80	1,645,216.34	45,552,477	911,049.54	1,822,099.08	1,609,255.88			
	Santa Fe Springs	1,026,543.24		72,550.95	20,187,282	585,448.79	2,360,004	92,678.57	750,678.31	28,391,306	567,826.12	1,135,652.24	734,270.29			
	Santa Monica	5,016,868.45		354,567.19	25,254,711	732,408.65	19,530,294	766,964.72	1,853,940.56	135,815,264	2,716,305.28	5,432,610.56	2,716,305.28			
	Sierra Madre	619,165.79		43,759.54	237,350	6,883.36	1,920,875	75,433.75	126,076.65	4,666,651	93,333.02	186,666.04	123,320.92			
	Signal Hill	566,575.22		40,042.71	10,030,087	290,881.27	648,771	25,477.57	356,401.55	14,008,510	280,170.20	560,340.40	348,611.47			
	South El Monte	1,247,800.13		88,188.28	3,194,731	92,649.99	700,615	27,513.51	208,351.78	7,231,043	144,620.86	289,241.72	203,797.71			
	South Gate	5,694,214.75		402,438.64	7,330,691	212,596.43	1,804,365	70,858.34	685,893.41	19,153,151	383,063.02	766,126.04	670,901.43			
	South Pasadena	1,423,254.20		100,588.49	1,543,502	44,762.90	4,344,057	170,593.36	315,944.75	11,225,774	224,515.48	449,030.96	309,038.96			
	Temple City	1,958,058.32		138,385.78	1,419,903	41,178.43	1,557,742	61,173.33	240,737.54	6,479,918	129,598.36	259,196.72	235,475.60			
	Torrance	8,103,742.13		572,732.00	37,839,509	1,097,378.77	16,775,983	658,801.51	2,328,912.28	112,708,437	2,254,168.74	4,508,337.48	2,278,007.87			
	Vernon	5,361.74		378.94	4,293,642	124,519.36	2,164,638	85,006.45	209,904.75	16,792,825	335,856.50	671,713.00	335,856.50			
	Walnut	1,762,298.12		124,550.42	1,267,470	36,757.74	1,622,672	63,723.17	225,031.33	5,846,227	116,924.54	233,849.08	220,112.69			
	West Covina	6,222,059.98		439,744.11	13,491,363	391,261.30	6,991,201	274,548.07	1,105,553.48	33,037,503	660,750.06	1,321,500.12	1,081,388.75			
	West Hollywood	2,098,946.33		148,343.04	8,315,740	241,163.71	6,494,432	255,039.70	644,546.45	32,510,556	650,211.12	1,300,422.24	650,211.12			
	Westlake Village	489,628.66		34,604.51	2,859,764	82,935.65	1,429,587	56,140.62	173,680.78	5,762,105	115,242.10	230,484.20	169,884.54			
	Whittier	4,902,332.78		346,472.38	9,178,361	266,180.48	3,117,662	122,432.20	735,085.06	30,902,577	618,051.54	1,236,103.08	719,017.87			
MARIN	Chowchilla	880,137.98		62,203.75	790,362	22,921.19	357,292	14,031.04	99,155.98	2,661,430	53,228.60	106,457.20	96,988.67			
	Madera	2,633,008.91		186,087.91	4,231,728	122,723.80	1,400,313	54,991.01	363,802.72	9,618,008	192,360.16	384,720.32	355,850.87			
	Belvedere	122,578.26		8,663.22	76,321	2,213.38	2,131,768	83,715.63	94,592.23	2,492,630	49,852.60	99,705.20	92,524.67			
	Corte Madera	537,599.05		37,994.81	4,828,101	140,019.14	2,551,897	100,214.31	278,228.26	11,492,554	229,851.08	459,702.16	272,146.86			
	Fairfax	421,295.11		29,775.03	344,117	9,979.69	1,325,662	52,059.43	91,814.15	3,724,101	74,482.02	148,964.04	89,807.31			
	Larkspur	691,549.15		48,875.24	1,710,845	49,616.00	3,845,922	151,031.34	249,522.58	8,494,244	169,884.88	339,769.76	244,068.62			
	Mill Valley	783,896.39		55,401.88	1,948,329	56,503.24	6,454,834	253,484.66	365,389.78	11,531,521	230,630.42	461,260.84	357,403.24			
	Novato	2,780,912.80		196,541.02	6,779,179	196,602.10	3,978,982	156,256.68	549,399.80	17,967,288	359,345.76	718,691.52	537,391.25			
	Ross	134,214.39		9,485.60	57,219	1,659.40	1,604,750	63,019.36	74,164.36	2,540,046	50,800.92	101,601.84	72,543.31			
	San Anselmo	710,315.19		50,201.53	965,348	27,995.93	3,185,670	125,102.90	203,300.36	7,399,333	147,986.66	295,973.32	198,856.70			
MENDOCINO	San Rafael	3,248,010.80		229,553.17	16,700,172	484,319.56	7,315,028	287,264.92	1,001,137.65	35,894,549	717,890.98	1,435,781.96	979,255.20			
	Sausalito	422,435.91		29,855.66	1,364,358	39,567.57	3,521,840	138,304.47	207,727.70	7,701,648	154,032.96	308,065.92	203,187.27			
	Tiburon	499,838.74		35,326.10	798,269	23,150.50	2,389,513	93,837.41	152,314.01	4,234,419	84,688.38	169,376.76	148,984.79			
	Fort Bragg	405,209.93		28,638.21	1,507,008	43,704.55	177,758	6,980.65	79,323.41	4,347,129	86,942.58	173,885.16	86,942.58			
	Point Arena	27,436.07		1,939.04	48,036	1,393.09	29,517	1,159.15	4,491.28	247,454	4,949.08	9,898.16	4,949.08			
	Ukiah	894,211.15		63,198.38	3,820,912	110,809.78	500,040	19,636.83	193,644.99	9,042,638	180,852.76	361,705.52	189,412.38			
	Willits	291,016.47		20,567.59	996,983	28,913.38	270,811	10,634.89	60,115.86	2,274,040	45,480.80	90,961.60	58,801.87			
	Atwater	1,371,234.03		96,911.97	1,574,936	45,674.52	1,113,967	43,746.06	186,332.55	5,466,693	109,333.86	218,667.72	182,259.77			
	Dos Palos	265,976.02		18,797.86	231,243	6,706.25	175,901	6,907.72	32,411.83	830,000	16,600.00	33,200.00	31,703.39			
	Gustine	284,513.98		20,108.03	249,895	7,247.17	306,931	12,053.34	39,408.54	1,394,820	27,896.40	55,792.80	38,547.16			
MODOC	Livingston	617,739.78		43,658.76	487,079	14,125.72	456,395	17,922.87	75,707.35	2,041,473	40,829.46	81,658.92	74,052.57			
	Los Banos	1,606,922.02		113,569.22	2,377,208	68,941.11	1,681,907	66,049.36	248,559.69	6,638,406	132,768.12	265,536.24	243,126.77			
	Merced	3,767,984.54		266,302.32	9,757,275	282,969.49	3,347,381	131,453.38	680,725.19	20,315,082	406,301.64	812,603.28	665,846.18			
	Alturas	166,841.07		11,791.49	677,703	19,653.98	240,902	9,460.35	40,905.82	1,006,650	20,133.00	40,266.00	40,266.00			
	Mammoth Lakes	424,489.32		30,000.78	1,840,508	53,376.34	1,032,283	40,538.29	123,915.41	10,874,854	217,497.08	434,994.16	217,497.08			
MONTEREY	Carmel	233,235.25		16,483.90	1,883,175	54,613.72	2,387,857	93,772.38	164,870.00	9,859,734	197,194.68	394,389.36	197,194.68			
	Del Rey Oaks	94,286.63		6,663.71	208,805	6,055.53	265,687	10,433.67	23,152.91	738,082	14,761.64	29,523.28	22,646.84			
	Gonzales	459,682.81		32,488.08	257,031	7,454.12	383,172	15,047.36	54,989.56	2,557,106	51,142.12	102,284.24	53,787.62			
	Greenfield	731,533.96		51,701.16	534,600	15,503.87	273,219	10,729.45	77,934.48	2,035,936	40,718.72	81,437.44	76,231.02			
	King City	647,514.49		45,763.09	1,081,172	31,354.93	522,156	20,505.34	97,623.36	4,005,906	80,118.12	160,236.24	95,489.55			
	Marina	1,604,868.61		113,424.09	1,040,677	30,180.54	1,150,103	45,165.14	188,769.77	7,189,440	143,788.80	287,577.60	184,643.72			
	Monterey	1,699,326.29		120,099.89	6,422,887	186,269.33	3,966,756	155,776.55	462,145.77	36,307,180	726,143.60	1,452,287.20	726,143.60			
	Pacific Grove	887,309.33		62,710.59	1,643,348	47,658.53	2,609,558	102,478.69	212,847.81	10,298,983	205,979.66	411,959.32	208,195.47			
	Salinas	8,927,623.37		630,959.81	20,725,724	601,064.08	8,961,784	351,933.88	1,583,957.77	54,217,867	1,084,357.34	2,168,714.68	1,549,336.27			
	Sand City	15,400.71		1,088.45	2,581,845	74,875.76	82,475	3,238.84	79,203.05	3,885,844	77,716.88	155,433.76	77,716.88			
	Seaside	1,836,906.02		129,823.34	5,040,746	146,186.03	1,040,703	40,868.94	316,878.31	15,444,512	308,890.24	617,780.48	309,952.11			

State Controller's Office
Division of Accounting and Reporting
Reductions to Amounts Allocated Under Revenue and Taxation Code Section 97.70
In Accordance With Revenue and Taxation Code Section 97.71(b)(1) and (2)

County	City	MVLV 2002-03 81.25%	R&T 97.71(b)(1) San Francisco	Sales Tax		R&T 97.71(b)(2)(i) Cities	2002-03 Sec 7204 Table 21A	R&T 97.71(b)(2)(ii) Cities	Property Taxes Allocated	R&T 97.71(b)(2)(iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts
NAPA	Soledad	1,380,077.00		97,536.95	382,550	11,094.28		148,815		5,844.04	114,475.27	2,998,537	59,970.74	119,941.48	111,973.12
	American Canyon	642,837.27		45,432.53	1,492,438	43,282.00		2,933,339		115,193.74	203,908.27	5,062,127	101,242.54	202,485.08	202,485.08
	Calistoga	298,830.90		21,119.87	664,832	19,280.71		662,567		26,019.35	66,419.93	4,569,180	91,383.60	182,767.20	91,383.60
	Napa	4,227,553.31		298,782.34	9,746,227	282,649.08		8,872,534		348,428.99	929,860.41	32,534,995	650,699.90	1,301,399.80	909,535.90
	St Helena	343,321.86		24,264.27	2,113,251	61,286.12		1,624,591		63,798.53	149,348.92	5,613,324	112,266.48	224,532.96	146,084.51
NEVADA	Yountville	232,265.60		16,415.37	424,607	12,313.97		297,928		11,699.79	40,429.13	3,177,142	63,542.84	127,085.68	63,542.84
	Grass Valley	684,875.50		48,403.58	3,838,474	111,319.09		1,225,522		48,126.88	207,849.55	6,586,512	131,730.24	263,460.48	203,306.46
	Nevada City	173,914.02		12,291.37	990,304	28,719.68		668,743		26,261.88	67,272.93	2,514,944	50,298.88	100,597.76	65,802.51
	Truckee	841,107.18		59,445.25	2,361,954	68,498.73		4,475,437		175,752.72	303,696.70	10,502,066	210,041.32	420,082.64	297,058.62
	Aliso Viejo	3,583,061.92		253,232.91	3,119,467	90,467.26		974,522		38,269.98	381,970.15	6,606,483	132,129.66	264,259.32	264,259.32
ORANGE	Anaheim	19,183,358.73		1,355,783.93	52,197,320	1,513,767.81		24,545,384		963,909.89	3,833,461.63	169,581,309	3,391,626.18	6,783,252.36	3,749,671.40
	Brea	2,102,311.70		148,580.89	13,943,759	404,381.17		2,977,843		116,941.43	669,903.49	23,818,778	476,375.56	952,751.12	655,261.02
	Buena Park	4,566,197.89		322,716.05	13,704,086	397,430.45		5,191,209		203,861.46	924,007.96	38,483,530	769,670.60	1,539,341.20	903,811.37
	Costa Mesa	6,327,526.35		447,197.94	35,263,624	1,022,675.86		13,709,713		538,387.50	2,008,261.30	57,766,436	1,155,328.72	2,310,657.44	1,964,365.55
	Cypress	2,695,866.63		190,530.38	9,521,491	276,131.54		3,315,925		130,218.09	596,880.01	22,907,029	458,140.58	916,281.16	583,833.65
	Dana Point	2,052,858.30		145,085.77	3,719,000	107,854.24		3,747,201		147,154.52	400,094.53	20,262,966	405,259.32	810,518.64	405,259.32
	Fountain Valley	3,187,719.82		225,292.11	8,953,950	259,672.36		5,155,296		202,451.13	687,415.60	23,151,256	463,025.12	926,050.24	672,390.35
	Fullerton	7,376,200.95		521,313.02	15,636,048	453,459.03		12,878,742		505,754.84	1,480,526.89	44,726,582	894,531.64	1,789,063.28	1,448,166.14
	Garden Grove	9,651,799.22		682,140.94	17,788,419	515,879.67		7,743,000		304,071.60	1,502,092.21	45,361,338	907,226.76	1,814,453.52	1,469,260.10
	Huntington Beach	11,099,010.09		784,422.57	23,689,095	687,004.42		27,581,369		1,083,134.59	2,554,561.58	103,965,200	2,079,304.00	4,158,608.00	2,498,725.02
	Irvine	8,983,693.37		634,922.55	41,928,256	1,215,956.00		15,582,292		611,924.65	2,462,803.20	88,662,074	1,773,241.48	3,546,482.96	2,408,972.26
	Laguna Hills	1,928,568.82		136,301.61	6,740,466	195,479.39		4,096,673		160,878.46	492,659.46	16,477,882	329,557.64	659,115.28	481,891.11
	Laguna Beach	1,386,805.83		98,012.51	3,482,399	100,992.61		13,467,878		528,890.52	727,895.64	25,843,560	516,871.20	1,033,742.40	711,985.60
	Laguna Niguel	3,624,358.66		256,151.56	9,354,316	271,283.32		1,907,316		602,336.16	74,901.28	18,106,694	362,133.88	724,267.76	589,170.54
	La Habra	3,468,925.49		245,166.32	7,677,397	222,651.21		5,161,028		202,676.23	670,493.76	25,682,605	513,652.10	1,027,304.20	655,838.38
	Laguna Woods	2,634,548.96		186,196.76	1,036,356	30,055.23		138,851		5,452.75	221,704.74	85,850.32	171,700.64	346,700.64	171,700.64
	La Palma	903,793.82		63,875.63	2,928,588	84,931.61		1,178,773		46,291.02	195,098.26	8,116,763	162,335.26	324,670.52	190,833.88
	Lake Forest	4,369,011.72		308,779.92	10,740,678	311,489.03		4,913,841		192,969.07	813,238.02	26,677,615	533,552.30	1,067,104.60	795,462.60
	Los Alamitos	669,075.51		47,286.91	2,290,122	66,415.54		1,266,561		49,738.50	163,440.95	8,312,895	166,257.90	332,515.80	166,257.90
	Mission Viejo	5,605,175.80		396,145.82	14,449,109	419,036.77		13,236,261		519,794.80	1,334,977.39	37,472,032	749,440.64	1,498,881.28	1,305,798.00
	Newport Beach	4,136,632.02		292,356.48	20,039,212	581,154.63		36,704,096		1,441,388.79	2,314,899.90	92,929,520	1,858,590.40	3,717,180.80	2,264,301.77
	Orange	7,583,255.02		535,946.57	27,649,426	801,857.47		12,541,198		492,499.32	1,830,303.36	56,413,141	1,128,262.82	2,256,525.64	1,790,297.34
	Placentia	2,756,100.56		194,787.41	5,080,162	147,329.13		4,779,143		187,679.41	529,795.95	21,451,749	429,034.98	858,069.96	518,215.89
	Rancho Santa Mar	3,705,754.26		261,904.19	4,650,873	134,879.37		1,382,706		54,299.58	451,083.14	10,938,325	218,766.50	437,533.00	437,533.00
	San Clemente	3,132,562.47		221,393.86	5,121,189	148,518.95		10,362,122		406,925.88	776,838.69	27,179,552	543,591.04	1,087,182.08	759,858.87
	San Juan Capistrano	1,979,733.40		139,917.66	7,601,264	220,443.29		3,239,543		127,218.53	487,579.48	13,555,532	271,110.64	542,221.28	476,922.17
	Santa Ana	19,857,967.10		1,403,461.88	38,517,721	1,117,047.51		20,126,779		790,389.00	3,310,898.39	122,863,710	2,457,274.20	4,914,548.40	3,338,530.14
	Seal Beach	1,407,454.23		99,471.83	2,439,141	70,737.22		3,553,937		139,564.94	309,773.99	15,768,113	315,362.26	630,724.52	315,362.26
	Stanton	2,184,905.13		154,418.18	3,339,641	96,852.50		1,365,474		53,622.87	304,893.55	11,236,604	224,732.08	449,464.16	298,229.31
	Tustin	3,947,089.19		278,960.54	17,783,990	515,751.22		6,117,678		240,244.37	1,034,956.13	28,866,890	577,337.80	1,154,675.60	1,012,334.48
	Villa Park	351,592.60		24,848.81	155,725	4,516.16		984,556		38,664.02	68,028.99	1,872,564	37,451.28	74,902.56	66,542.04
	Westminster	5,129,407.78		362,520.91	14,876,687	431,436.90		3,167,686		124,396.66	918,354.47	30,670,173	613,403.46	1,226,806.92	898,281.46
	Yorba Linda	3,468,355.09		245,126.01	5,912,621	171,471.17		8,108,712		318,433.30	735,030.48	19,928,752	398,575.04	797,150.08	718,964.49
	Auburn	713,623.50		50,435.34	2,793,076	81,001.64		1,597,477		62,733.75	194,170.73	6,827,964	136,559.28	273,118.56	189,926.63
	Colfax	93,944.36		6,639.52	565,166	16,390.31		179,895		7,064.57	30,094.40	983,808	19,676.16	39,352.32	29,436.61
	Lincoln	1,010,343.97		71,406.06	1,062,344	30,808.90		1,442,321		56,640.69	158,855.65	5,466,811	109,336.22	218,672.44	155,383.45
	Loomis	358,722.57		25,352.72	939,888	27,257.57		507,404		19,926.02	72,536.31	2,118,147	42,362.94	84,725.88	70,950.84
	Rocklin	2,344,216.98		165,677.54	5,203,614	150,909.35		4,520,869		177,536.86	494,123.75	25,240,687	504,813.74	1,009,627.48	504,813.74
	Roseville	4,878,775.39		344,807.46	34,070,552	988,075.73		12,852,596		504,728.08	1,837,611.27	62,922,323	1,258,446.46	2,516,892.92	1,797,445.52
	Portola	128,225.23		9,062.32	192,451	5,581.25		167,629		6,582.88	21,226.45	650,925	13,018.50	26,037.00	20,762.49
PLUMAS	Banning	1,405,457.82		99,330.74	1,975,771	57,299.08		1,505,613		59,126.20	215,756.02	6,330,425	126,608.50	253,217.00	211,040.11
	Beaumont	696,169.38		49,201.77	1,021,746	29,631.53		754,058		29,612.25	108,445.55	3,939,915	78,798.30	157,596.60	106,075.19
	Blythe	1,287,498.01		90,993.93	1,791,826	51,964.52		685,290		26,911.69	169,870.14	6,400,362	128,007.24	256,014.48	166,157.19
	Calimesa	414,792.60		29,315.47	364,363	10,566.84		856,124		33,620.43	73,502.74	2,374,290	47,485.80	94,971.60	71,896.15
	Canyon Lake	590,075.54		41,703.59	114,988	3,334.75		451,841		17,744.03	62,782.37	1,765,054	35,301.08	70,602.16	61,410.10
RIVERSIDE	Cathedral City	2,590,571.39		183,088.64	8,614,486	249,827.61		739,064		29,023.42	461,939.67	17,613,302	352,266.04	704,532.08	451,842.78

State Controller's Office
Division of Accounting and Reporting
Reductions to Amounts Allocated Under Revenue and Taxation Code Section 97.70
In Accordance With Revenue and Taxation Code Section 97.71(b)(1) and (2)

		Sales Tax															
County	City	MVLV 2002-03 81.25%	R&T 97.71(b)(1) San Francisco	R&T 97.71(b)(2)(i) Cities	2002-03 Sec 7204 Table 21A	R&T 97.71(b)(2)(ii) Cities	Property Taxes Allocated	R&T 97.71(b)(2)(iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts				
SACRAMENTO	Coachella	1,385,037.65		97,887.54	1,841,724	53,411.60	122,984	4,829.65	156,128.79	6,282,061	125,641.22	251,282.44	152,716.19				
	Corona	7,641,378.43		540,054.44	24,613,316	713,807.63	14,446,198	567,309.65	1,821,171.72	60,506,627	1,210,132.54	2,420,265.08	1,781,365.30				
	Desert Hot Springs	969,617.61		68,527.73	744,466	21,590.16	415,700	16,324.75	106,442.64	4,791,823	95,836.46	191,672.92	104,116.06				
	Hemet	3,507,769.52		247,911.62	8,112,890	235,280.89	2,931,976	115,140.21	598,332.72	19,328,159	386,563.18	773,126.36	585,254.61				
	Indian Wells	248,008.56		17,528.01	659,452	19,124.68	1,194,822	46,921.28	83,573.97	8,354,903	167,098.06	334,196.12	167,098.06				
	Indio	2,976,730.05		210,380.40	6,159,063	178,618.20	1,601,625	62,896.64	451,895.24	17,905,721	358,114.42	716,228.84	442,017.90				
	Lake Elsinore	1,771,424.45		125,195.43	4,857,694	140,877.36	1,062,264	41,715.66	307,788.45	9,986,722	199,734.44	399,468.88	301,060.94				
	La Quinta	1,637,894.56		115,758.20	4,331,981	125,631.23	1,490,339	58,526.38	299,915.81	16,588,793	331,775.86	663,551.72	331,775.86				
	Moreno Valley	8,356,599.09		590,602.66	9,964,372	288,975.48	6,228,764	244,606.78	1,124,184.92	38,297,132	765,942.64	1,531,885.28	1,099,612.95				
	Murrieta	2,944,958.95		208,134.98	6,288,285	182,365.75	3,301,066	129,634.56	520,135.29	13,377,763	267,555.26	535,110.52	508,766.39				
	Norco	1,420,231.09		100,374.84	4,985,949	144,596.87	734,336	28,837.75	273,809.46	8,927,779	178,555.58	357,111.16	267,824.65				
	Palm Desert	2,444,892.05		172,792.75	13,444,730	389,908.90	2,762,688	108,492.18	671,193.83	33,445,288	668,905.76	1,337,811.52	668,905.76				
	Palm Springs	2,499,421.95		176,646.65	7,019,257	203,564.58	10,862,519	426,576.73	806,787.96	44,690,854	893,817.08	1,787,634.16	893,817.08				
	Perris	2,141,783.15		151,370.53	4,254,638	123,388.21	1,803,242	70,814.24	345,572.98	10,518,827	210,376.54	420,753.08	338,019.59				
	Rancho Mirage	818,234.27		57,828.71	3,990,445	115,726.39	2,107,087	82,746.39	256,301.49	14,591,299	291,825.98	583,651.96	291,825.98				
	Riverside	15,366,605.24		1,086,034.87	40,918,481	1,186,671.64	13,502,326	530,243.31	2,802,949.82	107,146,248	2,142,924.96	4,285,849.92	2,741,684.10				
	San Jacinto	1,442,533.67		101,951.07	897,492	26,028.05	691,574	27,158.47	155,137.59	6,362,127	127,242.54	254,485.08	151,746.66				
	Temecula	4,147,640.69		293,134.52	21,359,799	619,452.80	2,554,316	100,309.31	1,012,896.63	35,233,474	704,669.48	1,409,338.96	990,757.15				
	Citrus Heights	7,856,589.18		555,264.46	10,786,877	312,828.84	2,894,989	113,687.71	981,781.01	25,487,791	509,755.82	1,019,511.64	960,321.64				
	Elk Grove	6,372,302.52		450,362.50	11,599,872	336,406.41	2,607,468	102,396.61	889,165.52	21,751,357	435,027.14	870,054.28	870,054.28				
Folsom	3,465,503.11		244,924.44	15,236,509	441,872.05	11,602,869	455,650.65	1,142,447.14	41,732,428	834,648.56	1,669,297.12	1,117,476.00					
Galt	1,215,572.72		85,910.61	963,132	27,931.67	1,242,215	48,782.42	162,624.70	3,984,984	79,699.68	159,399.36	159,399.36					
Isleton	48,141.52		3,402.40	141,029	4,089.96	56,182	2,206.30	9,698.66	423,323	8,466.46	16,932.92	9,486.67					
SAN BENITO	Rancho Cordova		0.00			0.00		0.00	0.00	0	0.00	0.00	0.00				
	Sacramento	24,299,647.36		1,717,377.64	57,674,070	1,672,598.34	54,830,468	2,153,220.77	5,543,196.75	256,178,000	5,123,560.00	10,247,120.00	5,422,035.84				
	Hollister	2,072,708.07		146,488.65	3,703,490	107,404.44	941,989	36,992.39	290,885.48	0	0.00	0.00	284,527.42				
	San Juan Bautista	91,092.38		6,437.95	150,948	4,377.62	183,948	7,223.73	18,039.30	658,962	13,179.24	26,358.48	17,645.00				
SAN BERNARDI	Adelanto	1,065,102.03		75,276.09	841,510	24,404.52	83,837	3,292.32	102,972.93	3,678,067	73,561.34	147,122.68	100,722.19				
	Apple Valley	3,240,994.91		229,057.32	2,522,014	73,140.61	2,174,960	85,411.80	387,609.73	11,552,260	231,045.20	462,090.40	379,137.52				
	Barstow	1,263,657.19		89,308.98	4,505,341	130,658.82	700,932	27,525.96	247,493.76	8,891,048	177,820.96	355,641.92	242,084.14				
	Big Bear Lake	324,898.04		22,962.17	1,742,132	50,523.35	1,505,875	59,136.49	132,622.01	7,714,381	154,287.62	308,575.24	154,287.62				
	Chino	3,924,843.71		277,388.34	12,841,095	372,402.96	3,850,678	151,218.11	801,009.41	20,977,302	419,546.04	839,092.08	783,501.28				
	Chino Hills	4,047,079.73		286,027.37	3,241,676	94,011.43	1,977,419	77,654.26	457,693.06	12,168,185	243,363.70	486,727.40	447,688.99				
	Colton	2,799,450.69		197,851.19	6,769,347	196,316.97	1,945,025	76,382.14	470,550.30	13,502,905	270,058.10	540,116.20	460,265.21				
	Fontana	7,936,273.64		560,896.16	14,583,287	422,928.04	763,513	29,983.55	1,013,807.75	49,444,950	988,899.00	1,977,798.00	991,648.36				
	Grand Terrace	679,627.85		48,032.70	592,415	17,180.55	379,738	14,912.51	80,125.76	2,753,955	55,079.10	110,158.20	78,374.40				
	Hesperia	3,715,736.20		262,609.67	4,286,012	124,298.09	319,366	12,541.67	399,449.43	10,877,007	217,540.14	435,080.28	390,718.43				
	Highland	2,611,676.07		184,580.21	1,093,090	31,700.56	3,552,521	139,509.33	355,790.10	7,566,582	151,331.64	302,663.28	302,663.28				
	Loma Linda	1,120,031.26		79,158.21	2,613,043	75,780.53	680,799	26,735.33	181,674.07	5,352,289	107,045.78	214,091.56	177,703.11				
	Montclair	1,941,003.46		137,180.42	11,246,348	326,153.90	1,381,373	54,247.23	517,581.55	17,281,686	345,633.72	691,267.44	506,268.47				
	Needles	292,385.42		20,664.34	465,339	13,495.24	511,565	20,089.42	54,249.00	0	0.00	0.00	53,063.25				
	Ontario	9,259,366.17		654,405.73	41,676,160	1,208,645.00	14,503,467	569,558.63	2,432,609.36	82,037,743	1,640,754.86	3,281,509.72	2,379,438.39				
	Rancho Cucamong	7,821,224.57		552,765.07	14,898,490	432,069.21	3,015,195	118,408.26	1,103,242.54	42,174,143	843,482.86	1,686,965.72	1,079,128.32				
Redlands	3,763,706.61		265,999.98	9,638,215	279,516.64	7,482,902	293,857.42	839,374.04	35,455,945	709,118.90	1,418,237.80	821,027.35					
Rialto	5,406,107.28		382,076.65	8,050,923	233,483.79	3,768,096	147,975.07	763,535.51	23,297,219	465,944.38	931,888.76	746,846.47					
SAN DIEGO	San Bernardino	10,850,773.37		766,878.44	29,600,641	858,444.41	7,233,523	284,064.18	1,909,387.03	78,857,613	1,577,152.26	3,154,304.52	1,867,652.43				
	Twentynine Palms	1,573,667.86		111,218.98	677,539	19,649.22	1,171,700	46,013.26	176,881.46	4,321,915	86,438.30	172,876.60	172,876.60				
	Upland	4,020,898.52		284,177.01	7,822,275	226,852.80	6,178,095	242,616.98	753,646.79	22,092,592	441,851.84	883,703.68	737,173.89				
	Victorville	3,955,074.76		279,524.92	15,535,167	450,533.39	442,628	17,382.23	747,440.54	22,997,491	459,949.82	919,899.64	731,103.29				
	Yucca Valley	995,171.35		70,333.74	2,284,063	66,239.82	1,675,434	65,795.16	202,368.72	5,907,143	118,142.86	236,285.72	197,945.43				
	Yucaipa	2,482,081.92		175,421.15	1,739,412	50,444.47	4,415,093	173,382.98	399,248.60	8,762,971	175,259.42	350,518.84	350,518.84				
	Carlsbad	5,020,233.81		354,805.04	22,729,888	659,186.58	22,515,065	884,178.22	1,898,169.84	73,116,987	1,462,339.74	2,924,679.48	1,856,680.42				
	Chula Vista	10,891,670.85		769,768.87	19,621,536	569,041.66	14,085,789	553,156.20	1,891,966.73	66,150,387	1,323,007.74	2,646,015.48	1,850,612.90				
	Coronado	1,479,552.39		104,567.37	1,999,753	57,994.58	10,024,825	393,680.05	556,242.00	23,038,134	460,762.68	921,525.36	544,083.89				
	Del Mar	256,621.53		18,136.73	1,289,628	37,400.34	1,998,260	78,472.70	134,009.77	6,116,592	122,331.84	244,663.68	131,080.64				
	El Cajon	5,514,596.76		389,744.14	20,475,730	593,814.03	4,424,740	173,761.82	1,157,319.99	36,376,833	727,536.66	1,455,073.32	1,132,023.77				

State Controller's Office
Division of Accounting and Reporting
Reductions to Amounts Allocated Under Revenue and Taxation Code Section 97.70
In Accordance With Revenue and Taxation Code Section 97.71(b)(1) and (2)

Appendix E

County	City	MVLV 2002-03 81.25%	R&T 97.71(b)(1) San Francisco	Sales Tax		R&T 97.71(b)(2)(i) Cities	2002-03 Sec 7204 Table 21A	R&T 97.71(b)(2)(ii) Cities	Property Taxes Allocated	R&T 97.71(b)(2)(iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts
SAN FRANCISCO	Encinitas	3,419,529.14		241,675.23	10,390,656	301,338.09		16,221,498		637,026.60	1,180,039.92	36,009,345	720,186.90	1,440,373.80	1,154,247.09
	Escondido	7,815,748.75		552,378.06	26,843,007	778,470.62		6,260,698		245,860.84	1,576,709.52	52,611,040	1,052,220.80	2,104,441.60	1,542,246.45
	Imperial Beach	1,573,154.55		111,182.70	656,630	19,042.84		1,606,235		63,077.68	193,303.22	6,379,397	127,587.94	255,175.88	189,078.08
	La Mesa	3,173,859.18		224,312.51	11,961,435	346,892.05		3,361,836		132,021.03	703,225.59	21,287,443	425,748.86	851,497.72	687,854.77
	Lemon Grove	1,449,720.64		102,459.01	4,407,404	127,818.56		1,398,035		54,901.56	285,179.13	8,902,884	178,057.68	356,115.36	278,945.80
	National City	3,314,404.99		234,245.58	14,643,063	424,661.60		2,053,347		80,636.00	739,543.18	24,589,687	491,793.74	983,587.48	723,378.55
	Oceanside	9,539,316.93		674,191.25	13,377,563	387,961.00		18,285,336		718,074.58	1,780,226.83	61,795,461	1,235,909.22	2,471,818.44	1,741,315.36
	Poway	2,832,476.71		200,185.30	8,894,818	257,957.48		5,845,806		229,567.82	687,710.60	21,063,075	421,261.50	842,523.00	672,678.90
	San Diego	71,627,128.28		5,062,247.49	188,563,563	5,468,507.82		171,279,906		6,726,250.28	17,257,005.59	578,183,658	11,563,673.16	23,127,346.32	16,879,809.06
	San Marcos	3,467,727.66		245,081.66	10,268,349	297,791.08		51,996.99		1,324,072	51,996.99	594,869.73	518,495.70	1,036,991.40	581,867.31
	Santee	3,062,631.83		216,451.51	6,215,293	180,248.92		5,584,372		219,301.17	616,001.60	16,776,490	335,529.80	671,059.60	602,537.29
	Solana Beach	757,487.00		53,535.40	2,431,027	70,501.90		3,744,331		147,041.81	271,079.11	8,097,833	161,956.66	323,913.32	265,153.97
	Vista	5,251,700.87		371,163.97	10,503,592	304,613.33		6,305,919		247,636.69	923,413.99	31,533,370	630,667.40	1,261,334.80	903,230.32
	SAN FRANCISCO San Francisco		9,599,231.32	0.00		0.00		0.00		0.00		1,473,069,036	29,461,380.72	58,922,761.44	9,599,231.32
SAN JOAQUIN	Escalon	362,658.30		25,630.88	700,183	20,305.92		561,211		22,039.05	67,975.85	2,027,115	40,542.30	81,084.60	66,490.06
	Lathrop	660,861.80		46,706.41	2,118,961	61,451.72		1,578,988		62,007.67	170,165.80	7,904,090	158,081.80	316,163.60	166,446.39
	Lodi	3,389,925.53		239,583.00	8,573,206	248,630.45		5,785,911		227,215.71	715,429.16	26,998,637	539,972.74	1,079,945.48	699,791.60
	Manteca	3,135,756.69		221,619.61	6,647,221	192,775.21		3,269,193		128,382.90	542,777.72	15,067,047	301,340.94	602,681.88	530,913.91
	Ripon	636,277.68		44,968.93	1,581,287	45,858.70		576,508		22,639.77	113,467.40	4,903,794	98,075.88	196,151.76	110,987.28
	Stockton	14,476,672.09		1,023,138.84	32,439,560	940,775.54		20,451,929		803,157.80	2,767,072.18	109,421,285	2,188,425.70	4,376,851.40	2,706,590.66
	Tracy	3,744,256.07		264,625.31	9,692,176	281,081.56		7,561,137		296,929.75	842,636.62	22,131,259	442,625.18	885,250.36	824,218.62
	SAN LUIS OBISPO Arroyo Grande	929,404.63		65,685.67	3,058,324	88,694.06		2,403,055		94,369.21	248,748.94	7,687,959	153,759.18	307,518.36	243,311.89
	Atascadero	1,539,044.79		108,771.99	3,625,051	105,129.64		3,056,668		120,036.93	333,938.56	10,819,503	216,390.06	432,780.12	326,639.47
	El Paso De Robles	1,472,308.36		104,055.40	5,723,556	165,988.12		2,636,599		103,540.60	373,584.12	15,803,072	316,061.44	632,122.88	365,418.47
	Grover Beach	756,232.14		53,446.71	923,075	26,769.98		1,501,727		58,973.59	139,190.28	3,816,273	76,325.46	152,650.92	136,147.92
	Morro Bay	599,487.09		42,368.75	1,314,006	38,107.32		1,727,235		67,829.41	148,305.48	11,419,442	228,388.84	456,777.68	228,388.84
	Pismo Beach	494,648.14		34,959.26	1,663,230	48,235.12		1,726,800		67,812.33	151,006.71	9,043,615	180,872.30	361,744.60	180,872.30
	SAN MATEO San Luis Obispo	2,544,711.49		179,847.49	10,351,762	300,210.13		5,482,359		215,295.07	695,352.69	29,283,300	585,666.00	1,171,332.00	680,153.96
SAN MATEO	Atherton	414,336.29		29,283.22	106,680	3,093.81		140,506.47		108,129.44	140,506.47	5,099,505	101,990.10	203,980.20	137,435.34
	Belmont	1,450,861.42		102,539.63	2,744,556	79,594.52		1,746,129		68,571.39	250,705.54	9,713,313	194,266.26	388,532.52	245,225.72
	Brisbane	208,537.09		14,738.36	2,367,263	68,652.69		1,307,243		51,336.11	134,727.16	6,083,193	121,663.86	243,327.72	131,782.35
	Burlingame	1,630,194.19		115,213.98	8,350,705	242,177.73		6,727,907		264,208.38	621,600.09	28,681,075	573,621.50	1,147,243.00	608,013.41
	Colma	69,246.19		4,893.97	8,068,217	233,985.33		38,091		1,495.85	240,375.15	12,590,638	251,812.76	503,625.52	251,812.76
	Daly City	6,013,522.88		425,005.75	7,772,760	225,416.82		10,194,921		400,359.81	1,050,782.38	39,147,034	782,940.68	1,565,881.36	1,027,814.81
	East Palo Alto	1,774,903.88		125,441.34	1,662,961	48,227.32		2,605,026		102,300.72	275,969.38	7,813,311	156,266.22	312,532.44	269,937.35
	Foster City	1,661,680.12		117,439.25	3,663,103	106,233.18		0.00		223,672.43	13,766,065	275,321.30	550,642.60	275,321.30	
	Half Moon Bay	694,115.91		49,056.64	1,633,675	47,378.00		801,622		31,480.11	127,914.75	6,033,107	120,662.14	241,324.28	125,118.84
	Hillsborough	626,010.55		44,243.30	70,267	2,037.80		6,610,122		259,582.90	305,864.00	9,613,701	192,274.02	384,548.04	299,178.55
	Menlo Park	1,783,174.66		126,025.87	6,600,999	191,434.73		5,337,853		209,620.24	527,080.84	22,308,039	446,160.78	892,321.56	515,560.12
	Millbrae	1,196,635.53		84,572.22	1,963,121	56,932.22		2,441,579		95,882.07	237,386.51	10,816,536	216,330.72	432,661.44	232,197.81
	Pacifica	2,227,171.55		157,405.36	1,232,519	35,744.13		5,599,020		219,876.40	413,025.89	0	0.00	0.00	403,998.14
	Portola Valley	257,077.87		18,168.98	220,536	6,395.74		511,331		20,080.23	44,644.95	2,455,865	49,117.30	98,234.60	49,117.30
SANTA BARBARA	Redwood City	4,375,000.88		309,203.20	14,829,568	430,070.41		18,959,090		744,533.25	1,483,806.86	60,510,101	1,210,202.02	2,420,404.04	1,451,374.42
	San Bruno	2,325,964.29		164,387.53	6,086,353	176,509.55		4,157,509		163,267.52	504,164.60	19,225,954	384,519.08	769,038.16	493,144.78
	San Carlos	1,598,936.46		113,004.84	6,105,061	177,052.09		4,431,537		174,028.74	464,085.67	16,146,543	322,930.86	645,861.72	453,941.88
	San Mateo	5,364,981.67		379,170.09	15,503,177	449,605.66		15,938,972		625,931.65	1,454,707.40	52,942,847	1,058,856.94	2,117,713.88	1,422,911.00
	South San Francisco	3,520,717.52		248,826.72	12,305,060	356,857.47		10,202,556		400,659.64	1,006,343.83	36,425,882	728,517.64	1,457,035.28	984,347.58
	Woodside	308,983.97		21,837.44	387,155	11,227.83		41,299.78		74,365.05	48,566.28	2,428,314	48,566.28	97,132.56	72,739.61
	Buellton	227,246.09		16,060.62	1,492,429	43,281.74		499,057		19,598.23	78,940.59	3,863,341	77,266.82	154,533.64	77,266.82
	Carpinteria	831,980.87		58,800.25	1,191,141	34,544.13		1,025,291		40,263.71	133,608.09	5,062,274	101,245.48	202,400.96	130,687.74
	Goleta	2,686,911.40		189,897.47	3,237,646	93,894.56		1,618,597		63,563.14	347,355.17	4,094,670	81,893.40	163,786.80	163,786.80
	Guadalupe	347,485.74		24,558.56	197,497	5,727.59		93,534		3,673.13	33,959.28	928,821	18,576.42	37,152.84	33,217.01
	Lompoc	2,404,507.92		169,938.60	3,188,594	92,472.01		2,419,542		95,016.66	357,427.27	10,889,928	217,798.56	435,597.12	349,614.77
	Santa Barbara	5,370,514.53		379,561.13	17,465,969	506,528.34		9,513,229		373,589.41	1,259,678.88	61,928,439	1,238,568.78	2,477,137.56	1,238,568.78
	Santa Maria	4,592,322.10		324,562.38	14,984,954	434,576.74		4,235,279		166,321.59	925,460.71	30,078,584	601,571.68	1,203,143.36	905,232.37
	Solvang	310,581.08		21,950.32	949,686	27,541.72		790,817		31,055.79	80,547.83	4,285,498	85,709.96	171,419.92	85,709.96

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Appendix E

County	City	MVLV 2002-03 81.25%	R&T 97.71(b)(1) San Francisco	R&T 97.71(b)(2)(i) Cities	Sales Tax		Property Taxes Allocated	R&T 97.71(b)(2)(iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts
					2002-03 Sec 7204 Table 21A	R&T 97.71(b)(2)(ii) Cities							
SANTA CLARA	Campbell	2,205,838.70		155,897.66	8,931,892	259,032.66	3,960,484	155,530.25	570,460.57	24,070,998	481,419.96	962,839.92	557,991.68
	Cupertino	2,979,467.94		210,573.90	9,569,458	277,522.63	3,675,099	144,323.03	632,419.56	28,945,492	578,909.84	1,157,819.68	618,596.39
	Gilroy	2,506,038.59		177,114.28	10,312,193	299,062.59	3,828,422	150,344.11	626,520.98	24,267,200	485,344.00	970,688.00	612,826.74
	Los Altos	1,602,415.88		113,250.75	2,160,038	62,642.99	6,036,601	237,060.44	412,954.18	15,186,978	303,739.56	607,479.12	403,928.00
	Los Altos Hills	457,287.15		32,318.77	89,104	2,584.09	1,441,531	56,609.67	91,512.53	3,315,969	66,319.38	132,638.76	89,512.29
	Los Gatos	1,658,885.15		117,241.71	6,722,032	194,944.79	4,285,799	168,305.54	480,492.04	18,677,405	373,548.10	747,096.20	469,989.64
	Milpitas	3,640,443.84		257,288.38	12,815,273	371,654.10	10,070,882	395,488.73	1,024,431.21	35,802,670	716,053.40	1,432,106.80	1,002,039.61
	Monte Sereno	201,007.83		14,206.23	16,642	482.63	365,014	14,334.29	29,023.15	996,488	19,929.76	39,859.52	28,388.77
	Morgan Hill	1,984,125.46		140,228.07	4,678,270	135,673.91	1,902,759	74,722.33	350,624.31	12,930,236	258,604.72	517,209.44	342,960.51
	Mountain View	4,120,660.95		291,227.72	14,891,315	431,861.13	13,880,135	545,080.06	1,268,168.91	71,806,642	1,436,132.84	2,872,265.68	1,436,132.84
	Palo Alto	3,470,009.22		245,242.91	17,498,090	507,459.87	12,859,446	504,997.08	1,257,699.86	77,172,256	1,543,445.12	3,086,890.24	1,543,445.12
	San Jose	52,409,945.01		3,704,073.01	121,179,561	3,514,312.98	85,295,745	3,349,607.91	10,567,993.90	554,941,681	11,098,833.62	22,197,667.24	11,098,833.62
	Santa Clara	5,967,263.72		421,736.38	33,980,316	985,458.81	16,222,893	637,081.38	2,044,276.57	111,032,560	2,220,651.20	4,441,302.40	2,220,651.20
	Saratoga	1,736,516.18		122,728.29	989,798	28,705.01	2,915,509	114,493.54	265,926.84	9,254,768	185,095.36	370,190.72	260,114.32
	Sunnyvale	7,642,348.11		540,122.97	22,939,946	665,278.45	22,709,372	891,808.76	2,097,210.18	84,474,829	1,689,496.58	3,378,993.16	2,051,370.22
	Capitola	581,120.30		41,070.68	5,200,025	150,805.26	557,228	21,882.63	213,758.57	8,275,284	165,505.68	331,011.36	209,086.32
	Santa Cruz	3,142,031.06		222,063.05	8,378,344	242,979.28	6,499,463	255,237.27	720,279.60	40,635,653	812,713.06	1,625,426.12	812,713.06
	Scotts Valley	661,660.33		46,762.85	1,803,181	52,293.82	576,687	22,646.80	121,703.47	6,016,318	120,326.36	240,652.72	120,326.36
	Watsonville	2,734,254.36		193,243.43	5,571,703	161,584.25	3,080,762	120,983.11	475,810.79	17,962,835	359,256.70	718,513.40	465,410.71
SHASTA	Anderson	532,351.39		37,623.94	1,350,930	39,178.15	442,655	17,383.29	94,185.38	3,561,527	71,230.54	142,461.08	92,126.71
	Redding	4,823,275.77		340,885.03	18,746,349	543,660.47	5,912,045	232,169.06	1,116,714.56	41,589,249	831,784.98	1,663,569.96	1,092,305.87
	Shasta Lake	535,488.57		37,845.66	469,230	13,608.08	468,243	17,992.30	69,446.04	2,780,724	55,614.48	111,228.96	67,828.12
SIERRA SISKIYOU	Loyalton	49,168.21		3,474.96	129,691	3,761.15	26,444	1,038.47	8,274.58	213,917	4,278.34	8,556.68	8,093.72
	Dorris	50,537.16		3,571.71	29,585	857.99	60,538	2,377.36	6,807.06	257,311	5,146.22	10,292.44	6,658.27
	Dunsmuir	109,687.29		7,752.15	85,910	2,491.46	180,830	7,101.29	17,344.90	595,907	11,918.14	23,836.28	16,965.78
	Etna	44,547.99		3,148.43	49,158	1,425.62	63,479	2,492.85	7,066.90	194,649	3,892.98	7,785.96	6,912.43
	Fort Jones	37,646.21		2,660.65	100,407	2,911.89	49,840	1,957.24	7,529.78	182,402	3,648.04	7,296.08	7,296.08
	Montague	83,049.78		5,869.54	83,617	2,424.97	95,514	3,750.88	12,045.39	302,033	6,040.66	12,081.32	11,782.11
	Mt Shasta	207,966.68		14,698.05	801,229	23,236.34	326,570	12,824.57	50,758.96	1,951,590	39,031.80	78,063.60	49,649.49
	Tulelake	58,408.64		4,128.03	53,100	1,539.95	51,944	2,039.87	7,707.85	0	0.00	0.00	7,539.37
	Weed	171,347.22		12,109.97	508,716	14,753.21	264,082	10,370.64	37,233.82	1,282,526	25,650.52	51,301.04	36,419.98
	Yreka	415,819.30		29,388.03	1,824,201	52,903.42	683,035	26,823.14	109,114.59	3,795,440	75,908.80	151,817.60	106,729.61
SOLANO	Benicia	1,551,479.42		109,650.81	3,775,930	109,505.26	9,358,069	367,496.20	586,652.27	20,898,431	417,968.62	835,937.24	573,829.47
	Dixon	930,488.38		65,762.27	3,380,290	98,031.36	1,735,688	68,161.36	231,954.99	8,455,326	169,106.52	338,213.04	226,885.01
	Fairfield	5,716,859.50		404,039.06	16,630,865	482,309.59	6,679,650	262,313.30	1,148,661.95	42,966,239	859,324.78	1,718,649.56	1,123,554.97
	Rio Vista	304,763.01		21,539.13	843,240	24,454.70	534,296	20,982.08	66,975.91	2,320,712	46,414.24	92,828.48	65,511.98
	Suisun City	1,522,104.02		107,574.71	895,510	25,970.57	528,246	20,744.49	154,289.77	5,012,767	100,255.34	200,510.68	150,917.37
	Vacaville	5,262,253.18		371,909.76	12,194,935	353,663.75	7,082,679	278,140.46	1,003,713.97	30,372,075	607,441.50	1,214,883.00	981,775.20
	Vallejo	6,773,747.81		478,734.65	12,755,167	369,910.97	9,783,408	384,199.48	1,232,845.10	60,285,461	1,205,709.22	2,411,418.44	1,205,898.08
SONOMA	Cloverdale	421,009.92		29,754.88	426,296	12,362.96	850,089	33,383.43	75,501.27	2,591,851	51,837.02	103,674.04	73,850.99
	Cotati	391,349.29		27,658.61	1,134,023	32,887.66	324,632	12,748.47	73,294.74	2,463,362	49,267.24	98,534.48	71,692.69
	Healdsburg	657,211.26		46,448.41	2,774,804	80,471.74	462,151	18,148.91	145,069.06	5,381,502	107,630.04	215,260.08	141,898.20
	Petaluma	3,199,184.82		226,102.40	10,081,937	292,384.97	4,850,109	190,466.28	708,953.65	22,220,255	444,405.10	888,810.20	693,457.63
	Rohnert Park	2,432,058.08		171,885.71	6,168,538	178,892.98	2,231,828	87,645.04	438,423.73	23,544,447	470,888.94	941,777.88	470,888.94
	Santa Rosa	8,721,253.77		616,374.63	28,010,991	812,343.17	14,288,656	561,122.89	1,989,840.69	76,541,978	1,530,839.56	3,061,679.12	1,946,347.57
	Sebastopol	448,217.85		31,677.80	1,523,838	44,192.63	737,226	28,951.25	104,821.68	3,580,206	71,604.12	143,208.24	102,530.53
STANISLAUS	Sonoma	536,001.93		37,881.94	2,122,718	61,560.67	933,972	36,677.56	136,120.17	6,149,673	122,993.46	245,986.92	133,144.91
	Windsor	1,384,239.08		97,831.10	2,926,627	84,874.74	2,429,119	95,392.76	278,098.60	7,849,522	156,990.44	313,980.88	272,020.04
	Ceres	2,033,807.03		143,739.32	3,566,288	103,425.46	1,338,747	52,573.29	299,738.07	9,846,275	196,925.50	393,851.00	293,186.52
	Hughson	241,334.89		17,056.34	367,032	10,644.25	119,665	4,699.31	32,399.90	854,706	17,094.12	34,188.24	31,691.72
	Modesto	11,329,963.78		800,745.22	25,504,067	739,640.19	8,966,494	352,118.85	1,892,504.26	105,960,856	2,119,217.12	4,238,434.24	2,119,217.12
	Newman	429,965.15		30,387.79	443,691	12,867.43	336,694	13,222.15	56,477.37	1,472,343	29,446.86	58,893.72	55,242.91
	Oakdale	925,069.62		65,379.30	2,943,269	85,357.37	861,402	33,827.70	184,564.37	6,445,674	128,913.48	257,826.96	180,530.24
	Patterson	743,055.97		52,515.48	801,261	23,237.27	647,838	25,440.93	101,193.68	2,431,751	48,635.02	97,270.04	97,270.04
	Riverbank	969,902.82		68,547.88	1,092,481	31,682.90	757,249	29,737.56	129,968.34	3,135,554	62,711.08	125,422.16	125,422.16
	Turlock	3,386,274.96		239,324.99	8,003,544	232,109.76	2,624,084	103,049.13	574,483.88	17,380,566	347,611.32	695,222.64	561,927.05

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Appendix E

County	City	MVLV 2002-03 81.25%	R&T 97.71(b)(1) San Francisco	Sales Tax		R&T 97.71(b)(2)(i) Cities	2002-03 Sec 7204 Table 21A	R&T 97.71(b)(2)(ii) Cities	Property Taxes Allocated	R&T 97.71(b)(2)(iii) Cities	Sum of (i)(ii)(iii)	General Revenues	2% of Revenues	4% of Revenues	Reduction Amounts
SUTTER	Waterford	408,689.35		28,884.12	277,528	8,048.55		175,547		6,893.82	43,826.49	1,293,940	25,878.80	51,757.60	42,868.55
	Live Oak	369,845.32		26,138.82	139,908	4,057.45		276,841		10,871.69	41,067.96	1,736,433	34,728.66	69,457.32	40,170.31
	Yuba City	2,691,417.56		190,215.94	8,163,046	236,735.45		3,672,602		144,224.98	571,176.37	19,017,472	380,349.44	760,698.88	558,691.83
TEHAMA	Corning	388,668.43		27,469.14	1,739,919	50,459.17		338,653		13,299.08	91,227.39	2,965,702	59,314.04	118,628.08	89,233.38
	Red Bluff	761,422.77		53,813.56	2,468,965	71,602.14		926,758		36,394.26	161,809.96	5,046,589	100,931.78	201,863.56	158,273.18
	Tehama	24,812.25		1,753.61	646	18.73		13,389		525.79	2,298.13	74,492	1,489.84	2,979.68	2,247.90
TULARE	Dinuba	998,365.63		70,559.49	1,419,956	41,179.96		456,279		17,918.31	129,657.76	4,810,026	96,200.52	192,401.04	126,823.75
	Exeter	539,367.26		38,119.78	513,588	14,894.50		361,012		14,177.13	67,191.41	2,486,159	49,723.18	99,446.36	65,722.77
	Farmersville	514,612.04		36,370.21	323,660	9,386.42		140,397		5,513.46	51,270.09	1,147,188	22,943.76	45,887.52	45,887.52
TUOLUMNE	Lindsay	600,627.88		42,449.38	377,429	10,945.77		230,960		9,069.92	62,465.07	2,546,776	50,935.52	101,871.04	61,099.73
	Porterville	2,339,140.45		165,318.76	4,328,559	125,531.99		1,437,499		56,451.33	347,302.08	11,998,824	239,976.48	479,952.96	339,710.89
	Tulare	2,583,612.53		182,596.82	5,403,417	156,703.81		2,108,098		82,786.10	422,086.73	14,864,460	297,289.20	594,578.40	412,860.93
VENTURA	Visalia	5,465,086.33		386,244.99	16,307,293	472,925.72		4,783,707		187,858.64	1,047,029.35	39,625,174	792,503.48	1,585,006.96	1,024,143.81
	Woodlake	393,345.67		27,799.71	180,919	5,246.81		108,852		4,274.67	37,321.19	1,115,601	22,312.02	44,624.04	36,505.44
	Sonora	258,789.04		18,289.92	2,196,300	63,694.62		255,211		10,022.27	92,006.81	3,338,966	66,779.32	133,558.64	89,995.76
YOLO	Camarillo	3,393,119.76		239,808.75	8,901,778	258,159.33		2,620,100		102,892.68	600,860.76	20,374,488	407,489.76	814,979.52	587,727.39
	Fillmore	821,371.47		58,050.43	850,605	24,668.29		249,616		9,802.55	92,521.27	3,094,598	61,891.96	123,783.92	90,498.98
	Moorpark	1,884,134.90		133,161.24	1,711,450	49,633.54		2,080,354		81,696.57	264,491.35	7,324,482	146,489.64	292,979.28	258,710.21
YUBA	Ojai	454,606.27		32,129.30	1,085,711	31,486.57		793,163		31,147.92	94,763.79	4,569,979	91,399.58	182,799.16	92,692.48
	Oxnard	10,382,762.78		733,801.79	20,697,805	600,254.40		14,745,155		579,049.84	1,913,106.03	66,062,481	1,321,249.62	2,642,499.24	1,871,290.15
	Port Hueneme	1,269,075.95		89,691.95	686,988	19,923.25		794,075		31,183.73	140,798.93	6,202,686	124,053.72	248,107.44	137,721.40
YUBA	San Buenaventura	5,850,788.67		413,504.51	18,979,852	550,432.26		12,803,598		502,803.90	1,466,740.67	57,508,963	1,150,179.26	2,300,358.52	1,434,681.26
	Santa Paula	1,671,433.89		118,128.59	1,657,710	48,075.04		1,839,410		72,234.58	238,438.21	5,982,702	119,654.04	239,308.08	233,226.53
	Simi Valley	6,589,965.94		465,745.86	12,793,905	371,034.41		7,804,770		306,497.34	1,143,277.61	35,313,092	706,261.84	1,412,523.68	1,118,288.32
YOLO	Thousand Oaks	6,900,375.91		487,684.09	25,221,357	731,441.35		9,063,812		355,940.57	1,575,066.01	57,253,158	1,145,063.16	2,290,126.32	1,540,638.87
	Davis	3,611,981.04		255,276.77	5,463,913	158,458.24		6,641,613		260,819.57	674,554.58	23,922,478	478,449.56	956,899.12	659,810.44
	West Sacramento	1,967,583.91		139,059.00	9,181,534	266,272.50		7,520,135		295,319.58	700,651.08	25,474,248	509,484.96	1,018,969.92	685,336.54
YUBA	Winters	358,779.63		25,356.75	281,619	8,167.20		517,781		20,333.53	53,857.48	1,745,937	34,918.74	69,837.48	52,680.29
	Woodland	2,887,006.63		204,039.20	7,229,977	209,675.64		6,407,046		251,608.00	665,322.84	25,513,633	510,272.66	1,020,545.32	650,780.49
	Marysville	700,504.36		49,508.15	1,908,815	55,357.30		792,310		31,114.42	135,979.87	4,811,326	96,226.52	192,453.04	133,007.68
	Wheatland	133,244.69		9,417.07	110,305	3,198.94		81,623		3,205.38	15,821.39	376,449	7,528.98	15,057.96	15,057.96
		\$1,605,474,613.79		\$113,466,922.75	\$3,912,534,819	\$113,466,922.77		\$2,889,366,744.00		\$113,466,922.84	\$340,400,768.68	\$15,154,296,974	\$303,085,939.48	\$606,171,878.96	\$350,000,000.00

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	R&T 97.70 (c)(1)(A)(i) 2% VLF	R&T 97.70 (c)(1)(A)(ii) .65% VLF	City/County Adjustment	Countywide Adjustment
ALAMEDA COUNTY	\$106,936,949		\$106,936,949.34	
Alameda	4,377,160	363,950	4,013,210	
Albany	979,831	81,527	898,304	
Berkeley	6,102,158	508,011	5,594,147	
Dublin	2,315,719	186,152	2,129,567	
Emeryville	446,006	37,230	408,776	
Fremont	12,172,662	1,015,409	11,157,253	
Hayward	8,420,460	702,846	7,717,614	
Livermore	4,568,112	381,585	4,186,527	
Newark	2,559,919	213,485	2,346,434	
Oakland	24,015,748	2,001,698	22,014,050	
Piedmont	649,661	54,092	595,569	
Pleasanton	3,905,938	326,132	3,579,806	
San Leandro	4,743,936	395,756	4,348,180	
Union City	4,090,704	341,601	3,749,103	
Countywide				\$179,675,489
ALPINE COUNTY	91,692		91,692	91,692
AMADOR COUNTY	2,544,118		2,544,118	
Amador	12,132	1,010	11,122	
Ione	438,477	36,536	401,941	
Jackson	238,760	19,897	218,863	
Plymouth	62,438	5,216	57,222	
Sutter Creek	144,050	12,030	132,020	
Countywide				3,365,286
BUTTE COUNTY	14,306,290		14,306,290	
Biggs	105,403	8,786	96,617	
Chico	4,136,417	346,355	3,790,062	
Gridley	335,704	28,017	307,687	
Oroville	777,715	64,806	712,909	
Paradise	1,559,202	129,792	1,429,410	
Countywide				20,642,975
CALAVERAS COUNTY	2,875,348		2,875,348	
Angels Camp	208,411	16,711	191,700	
Countywide				3,067,048
COLUSA COUNTY	1,521,637		1,521,637	
Colusa	327,392	27,284	300,108	
Williams	245,630	20,553	225,077	

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Countywide				2,046,822
CONTRA COSTA COUNTY	68,812,173		68,812,173	
Antioch	5,840,391	488,521	5,351,870	
Brentwood	2,136,147	179,984	1,956,163	
Clayton	664,989	53,374	611,615	
Concord	7,272,701	606,370	6,666,331	
Danville	2,617,687	210,012	2,407,675	
El Cerrito	1,373,842	114,377	1,259,465	
Hercules	1,315,135	105,407	1,209,728	
Lafayette	1,481,738	118,553	1,363,185	
Martinez	2,150,709	179,168	1,971,541	
Moraga	1,003,473	80,255	923,218	
Oakley	1,978,497	681,920	1,296,577	
Orinda	1,082,081	86,607	995,474	
Pinole	1,138,640	94,897	1,043,743	
Pittsburg	3,576,048	298,586	3,277,462	
Pleasant Hill	2,043,202	163,549	1,879,653	
Richmond	5,924,662	493,990	5,430,672	
San Pablo	1,805,792	150,714	1,655,078	
San Ramon	2,942,773	236,072	2,706,701	
Walnut Creek	3,846,681	320,509	3,526,172	
Countywide				114,344,496
DEL NORTE COUNTY	2,180,614		2,180,614	
Crescent City	441,167	36,628	404,539	
Countywide				2,585,153
EL DORADO COUNTY	11,133,926		11,133,926	
Placerville	595,913	49,726	546,187	
South Lake Tahoe	1,396,550	116,344	1,280,206	
Countywide				12,960,319
FRESNO COUNTY	61,550,168		61,550,168	
Clovis	4,699,504	392,818	4,306,686	
Coalinga	966,373	81,027	885,346	
Firebaugh	382,941	31,980	350,961	
Fowler	267,591	22,340	245,251	
Fresno	26,556,122	2,215,285	24,340,837	
Huron	405,270	33,845	371,425	
Kerman	618,184	51,800	566,384	
Kingsburg	648,101	54,185	593,916	
Mendota	504,000	42,038	461,962	

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	R&T 97.70 (c)(1)(A)(i) 2% VLF	R&T 97.70 (c)(1)(A)(ii) .65% VLF	City/County Adjustment	Countywide Adjustment
Orange Cove	536,888	44,947	491,941	
Parlier	712,243	59,551	652,692	
Reedley	1,266,144	105,645	1,160,499	
Sanger	1,195,110	99,657	1,095,453	
San Joaquin	207,420	17,333	190,087	
Selma	1,266,226	105,781	<u>1,160,445</u>	
Countywide				98,424,053
GLENN COUNTY	2,116,578		2,116,578	
Orland	379,929	31,708	348,221	
Willows	372,393	31,009	<u>341,384</u>	
Countywide				2,806,183
HUMBOLDT COUNTY	9,940,492		9,940,492	
Arcata	997,069	83,101	913,968	
Blue Lake	68,428	5,687	62,741	
Eureka	1,534,407	127,587	1,406,820	
Ferndale	83,673	6,969	76,704	
Fortuna	670,918	53,786	617,132	
Rio Dell	194,579	15,575	179,004	
Trinidad	18,421	1,530	<u>16,891</u>	
Countywide				13,213,752
IMPERIAL COUNTY	11,236,388		11,236,388	
Brawley	1,385,491	115,513	1,269,978	
Calexico	1,893,202	158,333	1,734,869	
Calipatria	457,369	38,129	419,240	
El Centro	2,359,358	196,734	2,162,624	
Holtville	344,877	28,741	316,136	
Imperial	547,164	45,822	501,342	
Westmorland	132,004	11,044	<u>120,960</u>	
Countywide				17,761,537
INYO COUNTY	1,300,550		1,300,550	
Bishop	211,809	17,639	<u>194,170</u>	
Countywide				1,494,720
KERN COUNTY	50,423,267		50,423,267	
Arvin	876,563	70,415	806,148	
Bakersfield	16,238,938	1,358,243	14,880,695	
California City	657,336	54,933	602,403	

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	R&T 97.70 (c)(1)(A)(i) 2% VLF	R&T 97.70 (c)(1)(A)(ii) .65% VLF	City/County Adjustment	Countywide Adjustment
Delano	2,506,094	209,711	2,296,383	
Maricopa	66,567	5,532	61,035	
McFarland	646,853	54,136	592,717	
Ridgecrest	1,511,396	125,503	1,385,893	
Shafter	796,228	66,496	729,732	
Taft	521,472	43,602	477,870	
Tehachapi	678,154	56,856	621,298	
Wasco	1,328,461	111,011	1,217,450	
Countywide				74,094,891
KINGS COUNTY	10,465,325		10,465,325	
Avenal	941,268	78,701	862,567	
Corcoran	1,284,955	107,563	1,177,392	
Hanford	2,691,610	224,931	2,466,679	
Lemoore	1,272,020	106,436	1,165,584	
Countywide				16,137,547
LAKE COUNTY	4,168,993		4,168,993	
Clearlake	811,820	67,710	744,110	
Lakeport	298,789	24,909	273,880	
Countywide				5,186,983
LASSEN COUNTY	2,435,343		2,435,343	
Susanville	1,079,239	90,332	988,907	
Countywide				3,424,250
LOS ANGELES COUNTY	733,331,874		733,331,874	
Agoura Hills	1,342,436	107,461	1,234,975	
Alhambra	5,229,387	435,653	4,793,734	
Arcadia	3,253,061	271,321	2,981,740	
Artesia	1,043,222	83,528	959,694	
Avalon	203,665	16,983	186,682	
Azusa	2,804,622	233,921	2,570,701	
Baldwin Park	4,678,012	390,137	4,287,875	
Bell	2,344,399	187,735	2,156,664	
Bellflower	4,662,823	373,965	4,288,858	
Bell Gardens	2,677,206	223,067	2,454,139	
Beverly Hills	2,079,559	173,384	1,906,175	
Bradbury	56,874	4,555	52,319	
Burbank	6,143,953	512,061	5,631,892	
Calabasas	1,340,389	111,162	1,229,227	
Carson	5,837,269	467,662	5,369,607	
Cerritos	3,318,799	265,489	3,053,310	

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Claremont	2,116,595	176,473	1,940,122	
Commerce	811,081	64,947	746,134	
Compton	5,706,651	475,608	5,231,043	
Covina	2,860,998	238,569	2,622,429	
Cudahy	1,556,195	124,619	1,431,576	
Culver City	2,365,565	197,035	2,168,530	
Diamond Bar	3,484,182	288,902	3,195,280	
Downey	6,563,576	547,902	6,015,674	
Duarte	1,315,740	109,647	1,206,093	
El Monte	7,189,454	599,566	6,589,888	
El Segundo	1,022,626	81,886	940,740	
Gardena	3,531,343	294,545	3,236,798	
Glendale	11,963,565	997,250	10,966,315	
Glendora	3,029,868	252,424	2,777,444	
Hawaiian Gardens	952,370	76,282	876,088	
Hawthorne	5,130,558	428,251	4,702,307	
Hermosa Beach	1,139,556	94,941	1,044,615	
Hidden Hills	122,298	9,796	112,502	
Huntington Park	3,754,758	313,078	3,441,680	
Industry	46,569	3,885	42,684	
Inglewood	6,855,739	571,097	6,284,642	
Irwindale	86,904	7,270	79,634	
La Canada Flintridge	1,298,881	104,023	1,194,858	
La Habra Heights	359,029	29,863	329,166	
Lakewood	5,038,831	403,633	4,635,198	
La Mirada	3,038,492	243,488	2,795,004	
Lancaster	7,831,053	627,419	7,203,634	
La Puente	2,610,663	209,104	2,401,559	
La Verne	1,936,901	161,398	1,775,503	
Lawndale	2,012,098	161,281	1,850,817	
Lomita	1,272,932	101,920	1,171,012	
Long Beach	28,371,342	2,365,688	26,005,654	
Los Angeles	227,932,066	19,000,034	208,932,032	
Lynwood	4,247,507	354,325	3,893,182	
Malibu	802,244	65,831	736,413	
Manhattan Beach	2,130,263	177,638	1,952,625	
Maywood	1,713,657	142,715	1,570,942	
Monrovia	2,262,117	188,434	2,073,683	
Montebello	3,800,633	316,769	3,483,864	
Monterey Park	3,728,327	310,470	3,417,857	
Norwalk	6,635,383	531,667	6,103,716	
Palmdale	7,940,234	637,642	7,302,592	
Palos Verdes Estates	821,281	68,409	752,872	
Paramount	3,500,816	280,398	3,220,418	
Pasadena	8,391,352	699,364	7,691,988	
Pico Rivera	4,049,005	324,335	3,724,670	
Pomona	9,218,598	769,084	8,449,514	
Rancho Palos Verdes	2,620,599	209,682	2,410,917	
Redondo Beach	3,899,940	325,030	3,574,910	
Rolling Hills	119,026	9,524	109,502	
Rolling Hills Estates	493,246	39,460	453,786	

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Rosemead	3,440,560	275,415	3,165,145	
San Dimas	2,227,370	178,372	2,048,998	
San Fernando	1,443,267	120,244	1,323,023	
San Gabriel	2,441,860	203,558	2,238,302	
San Marino	791,596	65,947	725,649	
Santa Clarita	9,603,001	800,924	8,802,077	
Santa Fe Springs	1,090,380	87,403	1,002,977	
Santa Monica	5,268,207	438,649	4,829,558	
Sierra Madre	645,349	53,738	591,611	
Signal Hill	643,737	51,630	592,107	
South El Monte	1,341,189	107,325	1,233,864	
South Gate	6,144,356	492,416	5,651,940	
South Pasadena	1,487,416	123,934	1,363,482	
Temple City	2,141,084	171,495	1,969,589	
Torrance	8,519,411	710,048	7,809,363	
Vernon	5,752	461	5,291	
Walnut	1,922,665	153,846	1,768,819	
West Covina	6,487,366	541,040	5,946,326	
West Hollywood	2,201,667	183,359	2,018,308	
Westlake Village	535,355	42,913	492,442	
Whittier	5,279,076	422,739	4,856,337	
Countywide				1,219,794,780
MADERA COUNTY	9,374,919		9,374,919	
Chowchilla	892,404	75,000	817,404	
Madera	2,807,396	234,892	2,572,504	
Countywide				12,764,827
MARIN COUNTY	16,819,979		16,819,979	
Belvedere	125,433	10,437	114,996	
Corte Madera	548,916	45,773	503,143	
Fairfax	430,643	35,871	394,772	
Larkspur	707,101	58,881	648,220	
Mill Valley	801,529	66,744	734,785	
Novato	2,997,933	239,812	2,758,121	
Ross	137,136	11,427	125,709	
San Anselmo	726,125	60,479	665,646	
San Rafael	3,329,209	277,533	3,051,676	
Sausalito	432,040	35,968	396,072	
Tiburon	512,441	42,709	469,732	
Countywide				26,682,851
MARIPOSA COUNTY	1,197,944		1,197,944	1,197,944
MENDOCINO COUNTY	6,628,816		6,628,816	

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Fort Bragg	413,590	34,501	379,089	
Point Arena	28,109	2,346	25,763	
Ukiah	927,220	77,268	849,952	
Willits	297,640	24,778	272,862	
Countywide				8,156,482
MERCED COUNTY	16,634,566		16,634,566	
Atwater	1,535,980	128,097	1,407,883	
Dos Palos	279,296	23,282	256,014	
Gustine	303,804	25,380	278,424	
Livingston	680,575	56,788	623,787	
Los Banos	1,775,043	148,737	1,626,306	
Merced	4,063,302	339,012	3,724,290	
Countywide				24,551,270
MODOC COUNTY	768,940		768,940	
Alturas	171,076	14,205	156,871	
Countywide				925,811
MONO COUNTY	943,697		943,697	
Mammoth Lakes	451,826	36,288	415,538	
Countywide				1,359,235
MONTEREY COUNTY	28,496,001		28,496,001	
Carmel	239,597	19,922	219,675	
Del Rey Oaks	96,511	8,033	88,478	
Gonzales	488,865	40,912	447,953	
Greenfield	763,785	63,946	699,839	
King City	667,284	55,739	611,545	
Marina	1,643,547	136,644	1,506,903	
Monterey	1,771,680	147,295	1,624,385	
Pacific Grove	909,867	75,651	834,216	
Salinas	9,094,662	760,129	8,334,533	
Sand City	17,869	1,496	16,373	
Seaside	1,958,180	162,505	1,795,675	
Soledad	1,518,081	127,256	1,390,825	
Countywide				46,066,401
NAPA COUNTY	9,108,598		9,108,598	
American Canyon	767,404	63,893	703,511	
Calistoga	305,099	25,444	279,655	

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Napa	4,419,273	368,705	4,050,568	
St Helena	351,983	29,338	322,645	
Yountville	236,976	19,776	217,200	
Countywide				14,682,177
NEVADA COUNTY	6,370,271		6,370,271	
Grass Valley	729,924	58,570	671,354	
Nevada City	185,013	14,808	170,205	
Truckee	877,529	72,907	804,622	
Countywide				8,016,452
ORANGE COUNTY	205,380,570	54,000,000	151,380,570	
Aliso Viejo	3,603,666	1,233,939	2,369,727	
Anaheim	19,960,433	1,666,023	18,294,410	
Brea	2,268,445	189,211	2,079,234	
Buena Park	4,696,162	391,604	4,304,558	
Costa Mesa	6,582,005	548,844	6,033,161	
Cypress	2,823,865	235,300	2,588,565	
Dana Point	2,146,557	177,420	1,969,137	
Fountain Valley	3,295,554	274,497	3,021,057	
Fullerton	7,815,274	651,687	7,163,587	
Garden Grove	9,958,860	830,675	9,128,185	
Huntington Beach	11,589,330	965,654	10,623,676	
Irvine	10,384,283	834,493	9,549,790	
Laguna Hills	1,971,059	164,205	1,806,854	
Laguna Beach	1,444,652	120,316	1,324,336	
Laguna Niguel	3,836,054	318,925	3,517,129	
La Habra	3,577,724	298,455	3,279,269	
Laguna Woods	2,649,699	1,683,108	966,591	
La Palma	935,328	77,899	857,429	
Lake Forest	4,535,594	377,189	4,158,405	
Los Alamitos	696,319	57,953	638,366	
Mission Viejo	5,773,282	480,522	5,292,760	
Newport Beach	4,703,988	392,560	4,311,428	
Orange	7,956,096	663,896	7,292,200	
Placentia	2,904,682	242,299	2,662,383	
Rancho Santa Margarita	3,727,064	1,135,867	2,591,197	
San Clemente	3,662,197	306,347	3,355,850	
San Juan Capistrano	2,083,039	174,030	1,909,009	
Santa Ana	20,328,081	1,695,536	18,632,545	
Seal Beach	1,457,277	121,239	1,336,038	
Stanton	2,246,321	187,531	2,058,790	
Tustin	4,092,886	341,605	3,751,281	
Villa Park	362,224	30,140	332,084	
Westminster	5,544,051	444,200	5,099,851	
Yorba Linda	3,726,416	310,776	3,415,640	

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Countywide				307,095,092
PLACER COUNTY	19,411,503		19,411,503	
Auburn	735,983	61,358	674,625	
Colfax	103,432	8,640	94,792	
Lincoln	1,329,878	111,929	1,217,949	
Loomis	366,710	30,543	336,167	
Rocklin	2,831,095	237,578	2,593,517	
Roseville	5,614,292	470,707	5,143,585	
Countywide				29,472,138
PLUMAS COUNTY	1,510,087		1,510,087	
Portola	131,113	10,918	120,195	
Countywide				1,630,282
RIVERSIDE COUNTY	117,802,581		117,802,581	
Banning	1,582,942	132,060	1,450,882	
Beaumont	947,860	79,371	868,489	
Blythe	1,275,093	106,699	1,168,394	
Calimesa	433,163	35,686	397,477	
Canyon Lake	624,325	51,761	572,564	
Cathedral City	2,821,107	235,970	2,585,137	
Coachella	1,605,779	134,308	1,471,471	
Corona	8,223,096	688,417	7,534,679	
Desert Hot Springs	1,028,735	85,913	942,822	
Hemet	3,709,779	309,746	3,400,033	
Indian Wells	267,886	21,529	246,357	
Indio	3,432,974	287,183	3,145,791	
Lake Elsinore	2,051,707	171,718	1,879,989	
La Quinta	1,959,347	157,945	1,801,402	
Moreno Valley	9,398,110	753,276	8,644,834	
Murrieta	4,485,557	377,165	4,108,392	
Norco	1,486,038	123,784	1,362,254	
Palm Desert	2,703,990	217,632	2,486,358	
Palm Springs	2,580,144	214,951	2,365,193	
Perris	2,399,239	200,644	2,198,595	
Rancho Mirage	937,577	75,364	862,213	
Riverside	16,128,322	1,345,412	14,782,910	
San Jacinto	1,556,244	129,787	1,426,457	
Temecula	4,478,927	376,189	4,102,738	
Countywide				187,608,012
SACRAMENTO COUNTY	90,657,095		90,657,095	
Citrus Heights	7,901,769	3,301,540	4,600,229	

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	R&T 97.70 (c)(1)(A)(i) 2% VLF	R&T 97.70 (c)(1)(A)(ii) .65% VLF	City/County Adjustment	Countywide Adjustment
Elk Grove	7,267,913	1,500,395	5,767,518	
Folsom	3,800,444	318,474	3,481,970	
Galt	1,284,177	107,578	1,176,599	
Isleton	49,268	4,099	45,169	
Rancho Cordova	4,117,394	1,535,342	2,582,052	
Sacramento	25,677,651	2,141,625	23,536,026	
Countywide				131,846,658
SAN BENITO COUNTY	3,896,191		3,896,191	
Hollister	2,144,183	179,678	1,964,505	
San Juan Bautista	100,305	8,358	91,947	
Countywide				5,952,643
SAN BERNARDINO COUNTY	126,424,920		126,424,920	
Adelanto	1,231,843	103,304	1,128,539	
Apple Valley	3,574,911	297,853	3,277,058	
Barstow	1,353,314	112,711	1,240,603	
Big Bear Lake	351,412	29,275	322,137	
Chino	4,194,247	349,934	3,844,313	
Chino Hills	4,432,649	371,046	4,061,603	
Colton	2,957,140	246,655	2,710,485	
Fontana	8,979,563	751,742	8,227,821	
Grand Terrace	714,335	59,381	654,954	
Hesperia	4,090,911	341,440	3,749,471	
Highland	2,863,254	239,166	2,624,088	
Loma Linda	1,222,518	101,755	1,120,763	
Montclair	2,021,448	168,663	1,852,785	
Needles	314,782	26,157	288,625	
Ontario	9,772,166	815,518	8,956,648	
Rancho Cucamonga	9,359,666	751,698	8,607,968	
Redlands	4,012,758	334,287	3,678,471	
Rialto	5,705,946	476,511	5,229,435	
San Bernardino	11,437,754	953,211	10,484,543	
Twentynine Palms	1,597,042	133,988	1,463,054	
Upland	4,236,273	353,115	3,883,158	
Victorville	4,829,374	377,253	4,452,121	
Yucca Valley	1,098,291	90,910	1,007,381	
Yucaipa	2,772,078	230,332	2,541,746	
Countywide				211,832,690
SAN DIEGO COUNTY	200,520,262		200,520,262	
Carlsbad	5,400,484	451,636	4,948,848	
Chula Vista	12,141,678	1,015,666	11,126,012	
Coronado	1,543,642	128,500	1,415,142	
Del Mar	266,210	22,122	244,088	

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El Cajon	5,690,629	474,209	5,216,420	
Encinitas	3,795,720	303,953	3,491,767	
Escondido	8,173,348	682,371	7,490,977	
Imperial Beach	1,620,642	134,910	1,485,732	
La Mesa	3,270,027	272,205	2,997,822	
Lemon Grove	1,492,379	124,289	1,368,090	
National City	3,485,697	290,296	3,195,401	
Oceanside	10,082,598	841,675	9,240,923	
Poway	2,949,716	245,897	2,703,819	
San Diego	75,379,557	6,284,541	69,095,016	
San Marcos	4,073,326	327,458	3,745,868	
Santee	3,152,218	262,361	2,889,857	
Solana Beach	815,521	65,228	750,293	
Vista	5,472,092	456,750	5,015,342	
Countywide				336,941,679
SAN FRANCISCO COUNTY	60,115,055		60,115,055	
San Francisco	46,260,177	3,854,791	42,405,386	
Countywide				102,520,441
SAN JOAQUIN COUNTY	46,365,881		46,365,881	
Escalon	389,633	32,568	357,065	
Lathrop	721,058	60,352	660,706	
Lodi	3,538,227	295,128	3,243,099	
Manteca	3,467,838	289,961	3,177,877	
Ripon	712,463	59,614	652,849	
Stockton	15,661,193	1,307,128	14,354,065	
Tracy	4,361,847	365,820	3,996,027	
Countywide				72,807,569
SAN LUIS OBISPO COUNTY	17,385,796		17,385,796	
Arroyo Grande	965,896	80,531	885,365	
Atascadero	1,612,069	134,483	1,477,586	
El Paso De Robles	1,581,544	132,176	1,449,368	
Grover Beach	772,606	64,388	708,218	
Morro Bay	613,298	51,101	562,197	
Pismo Beach	507,717	42,330	465,387	
San Luis Obispo	2,601,545	216,666	2,384,879	
Countywide				25,318,796
SAN MATEO COUNTY	50,074,338		50,074,338	
Atherton	423,744	35,278	388,466	
Belmont	1,483,805	123,531	1,360,274	

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	R&T 97.70 (c)(1)(A)(i) 2% VLF	R&T 97.70 (c)(1)(A)(ii) .65% VLF	City/County Adjustment	Countywide Adjustment
Brisbane	212,761	17,756	195,005	
Burlingame	1,666,594	138,800	1,527,794	
Colma	77,873	6,236	71,637	
Daly City	6,143,854	512,012	5,631,842	
East Palo Alto	1,831,808	153,064	1,678,744	
Foster City	1,867,863	144,861	1,723,002	
Half Moon Bay	714,802	59,673	655,129	
Hillsborough	640,335	53,301	587,034	
Menlo Park	1,822,304	151,826	1,670,478	
Millbrae	1,224,017	101,886	1,122,131	
Pacifica	2,277,804	189,629	2,088,175	
Portola Valley	262,756	21,889	240,867	
Redwood City	4,468,259	372,503	4,095,756	
San Bruno	2,406,393	200,416	2,205,977	
San Carlos	1,634,731	136,139	1,498,592	
San Mateo	5,483,083	456,793	5,026,290	
South San Francisco	3,596,214	299,766	3,296,448	
Woodside	315,836	26,308	289,528	
Countywide				85,427,507
SANTA BARBARA COUNTY	28,014,785		28,014,785	
Buellton	261,095	21,651	239,444	
Carpinteria	850,715	70,838	779,877	
Goleta	2,702,363	1,072,367	1,629,996	
Guadalupe	367,840	30,645	337,195	
Lompoc	2,463,235	205,190	2,258,045	
Santa Barbara	5,487,498	457,264	5,030,234	
Santa Maria	4,960,373	414,386	4,545,987	
Solvang	317,242	26,444	290,798	
Countywide				43,126,361
SANTA CLARA COUNTY	122,028,058		122,028,058	
Campbell	2,254,773	187,813	2,066,960	
Cupertino	3,185,672	255,591	2,930,081	
Gilroy	2,682,226	224,349	2,457,877	
Los Altos	1,637,956	136,435	1,501,521	
Los Altos Hills	506,739	40,577	466,162	
Los Gatos	1,696,175	141,243	1,554,932	
Milpitas	3,787,636	315,914	3,471,722	
Monte Sereno	213,821	17,115	196,706	
Morgan Hill	2,061,297	172,354	1,888,943	
Mountain View	4,212,932	350,847	3,862,085	
Palo Alto	3,546,039	295,449	3,250,590	
San Jose	53,943,010	4,498,343	49,444,667	
Santa Clara	6,243,821	520,642	5,723,179	
Saratoga	1,849,125	148,038	1,701,087	
Sunnyvale	7,806,246	650,696	7,155,550	

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Countywide				209,700,120
SANTA CRUZ COUNTY	17,463,324		17,463,324	
Capitola	618,867	49,479	569,388	
Santa Cruz	3,279,120	273,371	3,005,749	
Scotts Valley	703,757	56,457	647,300	
Watsonville	2,802,458	234,538	<u>2,567,920</u>	
Countywide				24,253,681
SHASTA COUNTY	11,968,299		11,968,299	
Anderson	586,225	48,910	537,315	
Redding	5,081,202	423,880	4,657,322	
Shasta Lake	588,770	48,726	<u>540,044</u>	
Countywide				17,702,980
SIERRA COUNTY	262,624		262,624	
Loyalton	51,269	4,264	<u>47,005</u>	
Countywide				309,629
SISKIYOU COUNTY	3,377,645		3,377,645	
Dorris	51,703	4,303	47,400	
Dunsmuir	112,418	9,339	103,079	
Etna	45,629	3,793	41,836	
Fort Jones	38,513	3,205	35,308	
Montague	85,558	7,125	78,433	
Mt Shasta	213,032	17,736	195,296	
Tulelake	59,745	4,973	54,772	
Weed	175,433	14,589	160,844	
Yreka	426,555	35,516	<u>391,039</u>	
Countywide				4,485,652
SOLANO COUNTY	28,284,639		28,284,639	
Benicia	1,586,601	132,098	1,454,503	
Dixon	948,528	79,283	869,245	
Fairfield	6,026,761	503,135	5,523,626	
Rio Vista	363,500	30,470	333,030	
Suisun City	1,596,743	133,147	1,463,596	
Vacaville	5,534,310	461,771	5,072,539	
Vallejo	7,058,517	588,056	<u>6,470,461</u>	
Countywide				49,471,639

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	R&T 97.70 (c)(1)(A)(i) 2% VLF	R&T 97.70 (c)(1)(A)(ii) .65% VLF	City/County Adjustment	Countywide Adjustment
SONOMA COUNTY	32,502,963		32,502,963	
Cloverdale	460,570	38,542	422,028	
Cotati	408,996	34,093	374,903	
Healdsburg	674,686	56,317	618,369	
Petaluma	3,263,032	272,390	2,990,642	
Rohnert Park	2,483,719	207,074	2,276,645	
Santa Rosa	8,981,212	750,110	8,231,102	
Sebastopol	458,045	38,163	419,882	
Sonoma	564,063	47,041	517,022	
Windsor	1,446,917	120,326	1,326,591	
Countywide				49,680,147
STANISLAUS COUNTY	34,705,289		34,705,289	
Ceres	2,171,145	181,334	1,989,811	
Hughson	303,573	25,410	278,163	
Modesto	12,002,630	1,001,364	11,001,266	
Newman	482,315	40,368	441,947	
Oakdale	995,853	83,139	912,714	
Patterson	821,749	68,783	752,966	
Riverbank	1,056,302	88,380	967,922	
Turlock	3,730,316	311,864	3,418,452	
Waterford	456,673	38,148	418,525	
Countywide				54,887,055
SUTTER COUNTY	5,921,436		5,921,436	
Live Oak	380,970	31,835	349,135	
Yuba City	3,192,123	267,489	2,924,634	
Countywide				9,195,205
TEHAMA COUNTY	4,144,914		4,144,914	
Corning	401,034	33,442	367,592	
Red Bluff	790,251	65,835	724,416	
Tehama	25,355	2,113	23,242	
Countywide				5,260,164
TRINITY COUNTY	956,749		956,749	956,749
TULARE COUNTY	28,640,147		28,640,147	
Dinuba	1,080,796	90,337	990,459	
Exeter	576,020	48,099	527,921	
Farmersville	567,462	47,468	519,994	

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	R&T 97.70 (c)(1)(A)(i) 2% VLF	R&T 97.70 (c)(1)(A)(ii) .65% VLF	City/County Adjustment	Countywide Adjustment
Lindsay	623,861	52,082	571,779	
Porterville	2,508,316	209,560	2,298,756	
Tulare	2,774,160	231,638	2,542,522	
Visalia	5,977,044	498,691	5,478,353	
Woodlake	408,083	34,035	374,048	
Countywide				41,943,979
TUOLUMNE COUNTY	3,863,529		3,863,529	
Sonora	271,182	22,598	248,584	
Countywide				4,112,113
VENTURA COUNTY	60,667,973		60,667,973	
Camarillo	3,744,078	299,873	3,444,205	
Fillmore	880,333	73,470	806,863	
Moorpark	2,110,839	169,431	1,941,408	
Ojai	472,156	39,324	432,832	
Oxnard	10,824,015	903,912	9,920,103	
Port Hueneme	1,297,499	108,054	1,189,445	
San Buenaventura	6,114,479	509,705	5,604,774	
Santa Paula	1,706,971	142,312	1,564,659	
Simi Valley	7,198,423	576,925	6,621,498	
Thousand Oaks	7,640,206	612,320	7,027,886	
Countywide				99,221,646
YOLO COUNTY	13,093,339		13,093,339	
Davis	3,748,210	313,112	3,435,098	
West Sacramento	2,222,158	184,622	2,037,536	
Winters	398,801	33,355	365,446	
Woodland	3,053,894	255,062	2,798,832	
Countywide				21,730,251
YUBA COUNTY	4,449,343		4,449,343	
Marysville	747,861	62,266	685,595	
Wheatland	184,190	15,434	168,756	
Countywide				5,303,694
	<u>\$4,283,961,000</u>	<u>\$208,645,000</u>	<u>\$4,075,316,000</u>	<u>\$4,075,316,000</u>

(ii) Ten percent shall be allocated as follows:

(I) If the qualified property is provided water services by a water district that otherwise receives a property tax revenue allocation under this chapter, to that water district. If the qualified property is provided water services by more than one water district that otherwise receives a property tax revenue allocation under this chapter, those districts shall each receive an equal share of this revenue.

(II) If the qualified property is provided water services by a city, to that city.

(III) If the qualified property is provided water services by a private water company or a water district that does not otherwise receive a property tax revenue allocation under this chapter:

(aa) If the qualified property is located in a city, to the city in which that property is located.

(ab) If the qualified property is located in an unincorporated area of the county, to the county.

(4) The county auditor shall allocate the property tax revenues derived from applying the tax rate described in paragraph (2) of subdivision (b) of Section 100 to the qualified property described in this section in accordance with subdivision (d) of Section 100, except that school entities, as defined in subdivision (f) of Section 95, shall be allocated an amount equivalent to the same percentage the school entities received in the prior fiscal year from the property tax revenues paid by the utility in the county in which the qualified property is located.

(5) In order to provide the allocations required by paragraphs (3) and (4), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the qualified property to jurisdictions other than those receiving an allocation under paragraphs (3) and (4).

(b) (1) A special district that serves more than one county shall spend property tax revenues allocated under this section within the county that allocated the property tax revenues in or near communities impacted by the qualified property.

(2) All other special districts that receive property tax revenues under this section and that have qualified property located entirely or partially within their jurisdiction shall spend the property tax revenues in or near communities impacted by the qualified property.

(c) For purposes of this section, all of the following apply:

(1) "Qualified property" means all plant and associated equipment, including substation facilities and fee-owned land and easements, placed in service by the public utility on or after January 1, 2007, and related to the following:

(A) Electrical substation facilities that meet either of the following conditions:

(i) The high-side voltage of the facility's transformer is 50,000 volts or more.

(ii) The substation facilities are operated at 50,000 volts or more.

(B) Electric generation facilities that have a nameplate generating capacity of 50 megawatts or more.

(C) Electrical transmission line facilities of 200,000 volts or more.

(2) "Qualified property" does not include either of the following:

(A) Additions, modifications, reconductoring, or equivalent replacements to the plant and associated equipment made after the plant and associated equipment are placed in service.

(B) Property that is subject to subdivision (k) of Section 100.

(3) (A) An "enterprise special district" means a special district, other than a special district described in subparagraph (B), that performs, as reported in the 2001-02 edition of the State Controller's Special Districts Annual Report, an enterprise function.

(B) An "enterprise special district" does not include any of the following:

(i) A qualified special district, as defined in Section 97.34.

(ii) A district organized pursuant to the Local Health Care District Law set forth in Division 23 (commencing with Section 32000) of the Health and Safety Code.

(iii) A transit district.

(4) A public utility shall provide to the State Board of Equalization a description of the qualified property that is subject to this section in the form prescribed by the board. The State Board of Equalization shall transmit to the auditor of each county in which qualified property is located the information necessary to identify that property and the corresponding assessed value data necessary to make the property tax revenue allocations required by this section.

SEC. 3. The Legislature finds and declares that, in order to implement this act in a cost-effective manner, this act shall not be construed to require the State Board of Equalization to modify its computerized roll system. In this respect, a public utility that owns qualified property that is subject to the allocation provisions of this act shall provide the State Board of Equalization with the information necessary to comply with any provision of this act.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 5. Section 1.5 of this bill incorporates amendments to Section 100 of the Revenue and Taxation Code proposed by both this bill and AB 2670. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2007, (2) each bill amends Section 100 of the Revenue and Taxation Code, and (3) this bill is enacted after AB 2670, in which case Section 1 of this bill shall not become operative.

(ii) Ten percent shall be allocated as follows:

(I) If the qualified property is provided water services by a water district that otherwise receives a property tax revenue allocation under this chapter, to that water district. If the qualified property is provided water services by more than one water district that otherwise receives a property tax revenue allocation under this chapter, those districts shall each receive an equal share of this revenue.

(II) If the qualified property is provided water services by a city, to that city.

(III) If the qualified property is provided water services by a private water company or a water district that does not otherwise receive a property tax revenue allocation under this chapter:

(aa) If the qualified property is located in a city, to the city in which that property is located.

(ab) If the qualified property is located in an unincorporated area of the county, to the county.

(4) The county auditor shall allocate the property tax revenues derived from applying the tax rate described in paragraph (2) of subdivision (b) of Section 100 to the qualified property described in this section in accordance with subdivision (d) of Section 100, except that school entities, as defined in subdivision (f) of Section 95, shall be allocated an amount equivalent to the same percentage the school entities received in the prior fiscal year from the property tax revenues paid by the utility in the county in which the qualified property is located.

(5) In order to provide the allocations required by paragraphs (3) and (4), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the qualified property to jurisdictions other than those receiving an allocation under paragraphs (3) and (4).

(b) (1) A special district that serves more than one county shall spend property tax revenues allocated under this section within the county that allocated the property tax revenues in or near communities impacted by the qualified property.

(2) All other special districts that receive property tax revenues under this section and that have qualified property located entirely or partially within their jurisdiction shall spend the property tax revenues in or near communities impacted by the qualified property.

(c) For purposes of this section, all of the following apply:

(1) "Qualified property" means all plant and associated equipment, including substation facilities and fee-owned land and easements, placed in service by the public utility on or after January 1, 2007, and related to the following:

(A) Electrical substation facilities that meet either of the following conditions:

(i) The high-side voltage of the facility's transformer is 50,000 volts or more.

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(B) Electric generation facilities that have a nameplate generating capacity of 50 megawatts or more.

(C) Electrical transmission line facilities of 200,000 volts or more.

(2) "Qualified property" does not include either of the following:

(A) Additions, modifications, reconductoring, or equivalent replacements to the plant and associated equipment made after the plant and associated equipment are placed in service.

(B) Property that is subject to subdivision (k) of Section 100.

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**UNIFORM GUIDELINES FOR THE IMPLEMENTATION
OF ASSEMBLY BILL 2670 (CH. 791, STATUTES OF 2006)
CONCERNING UNITARY PROPERTY OF REGULATED
RAILWAY COMPANIES**

EFFECTIVE JULY 1, 2007

Prepared by:

**The Accounting Standards and Procedures Committee of the
California State Association of County Auditors**

Guideline 10

AB 2670
July 17, 2007

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Section I: INTRODUCTION AND HISTORY

The California Constitution requires the State Board of Equalization to assess the property, other than franchises, of a regulated railway company. The previous property tax law provided for the allocation of the assessed value of the unitary property of a regulated railway company that was assessed by the State Board of Equalization among the several tax rate areas within a county where the property was located. It also provided for an annual adjustment of the allocation of the assessed value among tax rate areas for changes in track mileage, and defined track mileage as the number of miles of track, adjusted to reflect the relative importance of mainline, branch, and other track.

AB 2670, for the 2006-07 fiscal year and for each fiscal year thereafter, establishes a single countywide tax rate area within each county to which the assessed value of specified unitary property of a regulated railway company would be allocated. This bill requires that the revenues derived from the tax on this value be allocated among local entities in the county pursuant to a specific formula. This bill also requires, with respect to a qualified facility, as defined, that 80% of the value of the facility and the revenues derived from taxing this value be allocated in the manner previously described, and would require that the remaining 20% of this value and resulting revenues be allocated exclusively to the local tax rate areas in the county in which the property is located.

This bill changes the definition of track mileage for purposes of these provisions to instead mean the total miles of track in each county without regard to the relative importance of the track mileage. This bill also makes technical and conforming changes to related provisions.

The purpose of these guidelines is to provide a working set of the apportionment of the unitary property of regulated railway companies, and to serve as a resource for applying the legislative requirements on a uniform basis throughout the State of California.

It is with deep appreciation that we acknowledge the work of the following individuals and their respective staffs who significantly contributed to these guidelines.

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Richard Arrow	Auditor-Controller, County of Marin
Rod Dole	Auditor-Controller, County of Sonoma
Vinod Sharma	Property Tax Manager, County of Santa Clara
Dave Elledge	Chair, Controller-Treasurer, County of Santa Clara

Section II: DESCRIPTION AND NARRATIVE

AB 2670 (Chapter 791, Statutes of 2006) provides a revised method of reporting values and allocating property tax revenues generated from regulated railways companies. The State Board of Equalization (SBE) is required to allocate the assessed values of a regulated railway company within a county. The SBE will assess and report the railroads assessed values of a regulated company including its qualified facility under the newly created Tax Rate Area (TRA) 000-002. These values were previously reported under the local tax rate areas.

Effective with the fiscal year 2007-08, and for each fiscal year thereafter, the existing railroad assessed values of a regulated company and portion of its qualified facility(s) are taxed per R&T Code §100(b)(1)&(2) as referenced in R&T Code §100.11(a)(2)(B). The tax rate includes both the 1% ad valorem tax rate and a unitary debt service ad valorem tax rate which are calculated in the same manner as in TRA 000-001.

Redevelopment Project Areas Base Value

If the value assigned to TRA 000-002 includes the base year value of a redevelopment project area, then the redevelopment project area's base year values should be adjusted for the removal of the value assigned to TRA 000-002 for the purpose of tax increments' computation. The SBE will provide these RDA base year values of the affected TRAs upon request.

Section III: SUGGESTED IMPLEMENTATION GUIDELINES

Methodology for the Apportionment of Revenues

Apportionment of Debt Service Revenue:

The debt service revenue is to be apportioned in the same manner the debt service revenue portion of the TRA 000-001 is apportioned as defined in R&T Code §100 (d) as referenced in R&T Code §100.11 (a)(2)(C).

Apportionment of the 1% Revenue:

1. For the 20% of the original cost of a qualified facility being assessed and reported under the county local TRAs by SBE as referenced in R&T Code §100.11 (a)(1):

Revenues are allocated exclusively to the local tax rate areas in the county in which the property is located, in the same manner of the property tax revenues derived from the values of the local TRAs, pursuant to R&T Code §100.11(a)(1)(B).

2. For the value assessed and reported under TRA 000-002 :

The formula to allocate the 1% revenue portion of the TRA 000-002 is prescribed under the R&T Code §100.11(a)(2)(C).

The Countywide 1% revenues portion from the assessed values of the regulated railway in the fiscal year 2006-07 is considered as the base revenues for the computation of the 2007-08 factors, as illustrated in the Calculation Model Exhibit 2-FY07-08.

As illustrated in the Calculation Model Exhibit 1-Base Rev, the 2006-07 base revenues of each affected taxing entity is based on the allocation of the revenues that each taxing entity received from the values of the local tax rate areas listed on SBE's letter dated December 1, 2006. The affected taxing entity includes the Educational Revenue Augmentation Fund. For the fiscal year 2007-08, the affected Redevelopment Project Area is excluded from the allocation of the 1% portion in accordance to R&T Code §100.11(2)(C)(ii). Each affected taxing entity will receive its share of the allocation as if the redevelopment project area does not exist.

Beginning with fiscal year 2008-09:

- 1) If the revenues derived from the TRA 000-002 are greater than 102 percent of the prior year's revenues, then *all taxing entities* will receive a percentage share of the excess over 102 percent of the unitary revenues equal to the percentage of each taxing entity's share of secured property taxes. See Section V, Calculation Model Exhibit 3-FY08-09 (Assumption 2).
- 2) If the revenues derived from the TRA 000-002 are less than 102 percent of the prior year's revenues, then each affected taxing entity receives the same percentage share in the current year as in the prior year. See Section V, Calculation Model Exhibit 3-FY08-09 (Assumption 1).

The counties should track costs incurred in implementing provisions of this bill as it imposes new property tax allocation duties upon them. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill provides that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions. Therefore, pending review by the Commission on State Mandates, we suggest that the counties should track costs incurred in implementing provisions of this bill.

SECTION IV: DEFINITIONS

1. Qualified facility of a regulated railway company means a building, auto or container loading and unloading facility, or transload facility that meets both of the following criteria:
 - (A) The original cost of the completed facility, including land, but not including, track and track materials, is equal to or exceeds one hundred million dollars (\$100,000,000).
 - (B) The facility is completely constructed and placed in service after January 1, 2007.
2. Track Mileage means the number of total miles of track in a county.
3. Amount of assessed value received in the prior fiscal year adjusted for changes in track mileage means the prior year's amount of assessed value in each county after it has been adjusted upward or downward in direct proportion to the change in the amount of track mileage on unitary property in the current year over the prior year.
4. School Entities are defined in Revenue and Taxation Code Section 95 (f) to mean school districts, community college districts, the Educational Revenue Augmentation Fund, and county superintendents of schools.

AB 2670 - Chaptered 791 - Statue 2006 - RAILROAD UNITARY PROPERTY**SOURCES:**

[1] SBE's December 1st , 2006 letter: List of railroad Unitary Properties to be enrolled in the new county-wide TRA 000-002 and their previous (FY 2006-07) local TRAs and assessed valuation.

[2] RDA Base Values reported by SBE upon county auditors' requests.

APN	TRA	2006-07 Values	[2] RDA parecl/values	
				<u>RDA Base Value</u>
006-005-0004	004-006	4,000,000	No	N/A
057-006-0008	005-010	1,250,000	Yes	80,000
062-010-0065	060-110	6,000,000	No	N/A
		11,250,000	Note [3]	

NOTES:

[3] Effective FY07-08, this RDA base value (provided by SBE) should be adjusted (deducted from the original RDA base year report) since this property is now reclassified to TRA 000-002 (a county-wide TRA) with a new allocation formula that the RDA will not share any tax revenue of TRA 000-002 for the initial base year, FY 2007-08.

[4] The base revenues computation shown next page assumed that ERAF was not part of the jurisdictions at TRA level. For counties having ERAF at TRA level, they may use their TRA factors as illustrated at column [d] of the next page and skip the steps [a] thru [c].

AB 2670 - Chaptered 791 - Statue 2006 - RAILROAD UNITARY PROPERTY

RAILROAD UNITARY PROPERTY: COMPUTATION OF BASE REVENUES								
2006-07 SBE value	Caculating Post ERAF TRA factors				1% Tax			
	Pre-ERAF TRA factors	ERAF factor (by jurisdiction)	ERAF shrift	Post ERAF factors	Base Revenue			
	[a]	[b]	[c]=-a*b	[d]=a-c	=1%tax*[d]			
<u>TRA 004-006 (City TRA)</u>	\$	4,000,000				\$	40,000	
County General			22.00%	52.70%	-11.59%	10.41%	4,162	
County Library			2.65%	8.60%	-0.23%	2.42%	969	
City of Shiraz			26.50%	22.50%	-5.96%	20.54%	8,215	
Fume Blanc Elementary			12.00%		0.00%	12.00%	4,800	
Adventure High School			10.00%		0.00%	10.00%	4,000	
Grenache Rose Comm College			9.00%		0.00%	9.00%	3,600	
County School Superintendent			8.50%		0.00%	8.50%	3,400	
Meritage Resource Cons. Dist			1.75%	8.20%	-0.14%	1.61%	643	
Evian Water District			7.60%	10.80%	-0.82%	6.78%	2,712	
ERAF			0.00%	-ve sum of above ->	18.75%	18.75%	7,499	
TOTAL			100.00%		0.00%	100.00%	40,000	
<u>TRA 005-006 (in City & RDA)</u>	\$	1,250,000	RDA will not share revenue for FY 07-08 per R&T 100.11(a)(1)(B)			\$	12,500	
County General			22.00%	52.70%	-11.59%	10.41%	1,301	
County Library			2.65%	8.60%	-0.23%	2.42%	303	
City of Merlot			22.50%	18.33%	-4.12%	18.38%	2,297	
Chardonnay Unified			24.00%		0.00%	24.00%	3,000	
Grenache Rose Comm College			9.00%		0.00%	9.00%	1,125	
County School Superintendent			8.50%		0.00%	8.50%	1,063	
El Camino District			1.75%	9.22%	-0.16%	1.59%	199	
Evian Water District			9.60%	10.80%	-1.04%	8.56%	1,070	
ERAF			0.00%	-ve sum of above ->	17.14%	17.14%	2,143	
TOTAL			100.00%		0.00%	100.00%	12,500	
<u>TRA 060-110 (Unincorporated)</u>	\$	6,000,000				\$	60,000	
County General			22.00%	52.70%	-11.59%	10.41%	6,244	
County Library			2.65%	8.60%	-0.23%	2.42%	1,453	
Chardonnay Unified			24.00%		0.00%	24.00%	14,400	
Grenache Rose Comm College			9.00%		0.00%	9.00%	5,400	
County School Superintendent			8.50%		0.00%	8.50%	5,100	
Central Fire			14.50%	-1.50%	0.22%	14.72%	8,831	
Pinot Noir Recreation & Park Dist			8.00%	7.67%	-0.61%	7.39%	4,432	
Meritage Resource Cons. Dist			1.75%	8.20%	-0.14%	1.61%	964	
Evian Water District			9.60%	10.80%	-1.04%	8.56%	5,138	
ERAF			0.00%	-ve sum of above ->	13.40%	13.40%	8,039	
TOTAL			100.00%		0.00%	100.00%	60,000	
TOTAL For All TRAs		\$	11,250,000				\$	112,500

AB 2670 - Chaptered 791 - Statue 2006 - Enacted September 29, 2006**RAILROAD UNITARY PROPERTY (TRA 000-002) APPORTIONMENT per R&T 100.11(a)(2)(C)****FISCAL YEAR 2007-2008**

- the 1st Year Implementaion

Assumption:

While the FY 06-07 values of the railroad property totalled 11,250,000 allocated to three local TRAs (tax revenue allocation base by jurisdictions per AB 2670 was illustrated per Exhibit 1,) the FY 07-08 value was reported by SBE at 12,000,000 under the new Countywide TRA 000-002.

	FY07-08 Apportionment Factor per R & T 100.11(a)(2)(C)					TRA 000-002
<u>SBE Data:</u>	<u>Base Revenue Allocation (Exhibit 1)</u>			TOTAL	Apportionment	FY07-08 Railroad
Previous (FY06-07) Local TRA	<u>004-006</u>	<u>005-010</u>	<u>060-110</u>	<u>Base Rev</u>	<u>Factors</u>	Unitary 1% Tax
FY06-07 Railroad Unitary 1% Tax	\$ 40,000	\$ 12,500	\$ 60,000	\$ 112,500	for FY 07-08	\$ 120,000
County General	\$ 4,162	\$ 1,301	\$ 6,244	\$ 11,707	0.1040600	\$ 12,487
County Library	\$ 969	\$ 303	1,453	2,725	0.0242210	2,907
City of Shiraz	\$ 8,215			8,215	0.0730222	8,763
City of Merlot		2,297		2,297	0.0204175	2,450
Chardonnay Unified		3,000	14,400	17,400	0.1546667	18,560
Fume Blanc Elementary	4,800			4,800	0.0426667	5,120
Adventure High School	4,000			4,000	0.0355556	4,267
Grenache Rose Comm College	3,600	1,125	5,400	10,125	0.0900000	10,800
County School Superintendent	3,400	1,063	5,100	9,563	0.0850000	10,200
Central Fire			8,831	8,831	0.0784933	9,419
Pinot Noir Recreation & Park Dist			4,432	4,432	0.0393941	4,727
El Camino District		199		199	0.0017652	212
Meritage Resource Cons. Dist	643		964	1,607	0.0142800	1,714
Evian Water District	2,712	1,070	5,138	8,920	0.0792889	9,515
ERAF	7,499	2,143	8,039	17,681	0.1571689	18,860
TOTAL	\$ 40,000	\$ 12,500	\$ 60,000	\$ 112,500	1.0000000	\$ 120,000

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** The FY 07-08 1% Railroad Unitary Tax is apportioned at the apportionment factors calculated pursuant to R&T 100.11(a)(2)(C)

AB 2670 - Chaptered 791 - Statue 2006 - Enacted September 29, 2006**RAILROAD UNITARY PROPERTY (TRA 000-002) APPORTIONMENT per R&T 100.11(a)(2)(C)****FISCAL YEAR 2008-09**

- the 2nd Year Implementation

Assumption 1:

The railroad unitary assessed valuation was 12,150,000 representing an increase in valuation of 1.25% (less than 2%) growth.

<u>Portion up to 102% of prior yr revenue</u>		
	Prior Yr TRA 000-002	TRA 000-002
	<u>Apportionment Factors</u>	<u>1% Tax up to 102%</u>
	(see Exhibit 2)	\$ <u>121,500</u>
County General	0.1040600	\$ 12,643
County Library	0.0242210	2,943
City of Shiraz	0.0730222	8,872
City of Merlot	0.0204175	2,481
Chardonnay Unified	0.1546667	18,792
Fume Blanc Elementary	0.0426667	5,184
Adventure High School	0.0355556	4,320
Grenache Rose Comm College	0.0900000	10,935
County School Superintendent	0.0850000	10,328
Central Fire	0.0784933	9,537
Pinot Noir Recreation & Park Dist	0.0393941	4,786
El Camino District	0.0017652	214
Meritage Resource Cons. Dist	0.0142800	1,735
Evian Water District	0.0792889	9,634
ERAF	0.1571689	19,096
TOTAL	<u>1.0000000</u>	<u>\$ 121,500</u>
**		

** The FY 08-09 1% Railroad Unitary Tax (which was $\leq$ 102% of previous year) was thereon apportioned at the unitary factors used in previous year, FY 07-08.

AB 2670 - Chaptered 791 - Statue 2006 - Enacted September 29, 2006**RAILROAD UNITARY PROPERTY (TRA 000-002) APPORTIONMENT per R&T 100.11(a)(2)(C)****FISCAL YEAR 2008-09** - the 2nd Year Implementation**Assumption 2:**

The railroad unitary assessed valuation was 13,000,000 representing an increase in valuation of 8.33% (more than 2%) growth.

	Portion up to 102% of prior yr rev		Portion exceeding 102% of prior yr revenue					TRA 000-002	CY Apportionment Factors
	Prior Year	TRA 000-002	Unitary Allocation Factors For Excess of 102% Growth			Unitary		TOTAL	
	TRA 000-002	1% Tax up to	Prior Yr			Unitary Roll	1% Tax over	ALLOCATION	
	Apportionment	102%	Apportioned tax			Factors for	102%		
	Factors	\$ 122,400	after RDA	VLF Swap	Subtotal	Tax over 102%	\$ 7,600	\$ 130,000	
	(see Exhibit 2)	[a]					[b]	=[a]+[b]	
County General	0.1040600	\$ 12,737	\$ 165,025,732	\$ 121,652,192	\$ 286,677,924	0.25801435	\$ 1,961	\$ 14,698	0.11306041
County Library	0.0242210	2,965	13,918,741		13,918,741	0.01252707	95	3,060	0.02353735
City of Shiraz	0.0730222	8,938	16,446,618	5,581,988	22,028,606	0.01982607	151	9,089	0.06991229
City of Merlot	0.0204175	2,499	4,697,413	1,530,200	6,227,613	0.00560494	43	2,542	0.01955154
City of Zinfandel		-	3,932,996	2,880,407	6,813,403	0.00613216	47	47	0.00035850
Chardonnay Unified	0.1546667	18,931	45,366,495		45,366,495	0.04083051	310	19,242	0.14801163
Fume Blanc Elementary	0.0426667	5,222	24,400,606		24,400,606	0.02196090	167	5,389	0.04145618
Chenin Blanc Elementary		-	34,407,237		34,407,237	0.03096702	235	235	0.00181038
Adventure High School	0.0355556	4,352	56,200,505		56,200,505	0.05058128	384	4,736	0.03643398
Sauvignon Blanc High School		-	79,719,062		79,719,062	0.07174833	545	545	0.00419452
Grenache Rose Comm College	0.0900000	11,016	87,286,094		87,286,094	0.07855877	597	11,613	0.08933113
County School Superintendent	0.0850000	10,404	76,601,957		76,601,957	0.06894289	524	10,928	0.08406128
Central Fire	0.0784933	9,608	35,892,679		35,892,679	0.03230394	246	9,853	0.07579303
South County Fire District		-	2,925,861		2,925,861	0.00263332	20	20	0.00015395
Pinot Noir Recreation & Park Dis	0.0393941	4,822	75,019		75,019	0.00006752	1	4,822	0.03709504
El Camino District	0.0017652	216	6,623,597		6,623,597	0.00596133	45	261	0.00201048
Meritage Resource Cons. Dist	0.0142800	1,748	42,600		42,600	0.00003834	0	1,748	0.01344741
Evian Water District	0.0792889	9,705	3,750,102		3,750,102	0.00337515	26	9,731	0.07485085
ERAF	0.1571689	19,237	309,623,260	(131,644,787)	177,978,473	0.16018324	1,217	20,455	0.15734509
Blanc de Noris RDA			85,528,146		85,528,146	0.07697659	585	585	0.00450017
Brut RDA	-	-	58,628,231	-	58,628,231	0.05276627	401	401	0.00308480
TOTAL	1.0000000	\$ 122,400	\$ 1,111,092,951	\$ -	\$1,111,092,951	1.00000000	\$ 7,600	\$ 130,000	1.00000000
	[i]	[i]				[ii]	[ii]		

[i] The FY 08-09 1% Railroad Unitary Tax (up to 102% of previous year) was apportioned at the unitary factors used in previous year, FY 07-08.

[ii] The Excess of 102% growth was thereon apportioned at factors calculated pursuant to RT 100(c)(3), the same as the excess 102% allocation for TRA 000-001.

SECTION VI: APPENDIX

TEXT OF STATUTE – AB 2670 UNITARY PROPERTY OF REGULATED RAILWAY COMPANIES

LEGISLATIVE COUNSEL'S DIGEST

AB 2670, Aghazarian Property taxation: regulated railway companies.

(1) The California Constitution requires the State Board of Equalization to assess the property, other than franchises, of a regulated railway company. Existing property tax law provides for the allocation of the assessed value of the unitary property of a regulated railway company that is assessed by the State Board of Equalization among the several tax rate areas within a county where the property is located. Existing property tax law also provides for an annual adjustment of the allocation of this assessed value among tax rate areas for changes in track mileage, and defines track mileage as the number of miles of track, adjusted to reflect the relative importance of mainline, branch, and other track.

This bill would, for the 2007-08 fiscal year and for each fiscal year thereafter, establish a single countywide tax rate area within each county to which the assessed value of specified unitary property of a regulated railway company would be allocated. This bill would require that the revenues derived from the tax on this value be allocated among local entities in the county pursuant to a specified formula. This bill would also require, with respect to a qualified facility, as defined, that 80% of the value of the facility and the revenues derived from taxing this value be allocated in the manner previously described, and would require that the remaining 20% of this value and resulting revenues be allocated exclusively to the local tax rate areas in the county in which the property is located.

This bill also would change the definition of track mileage for purposes of these provisions to instead mean the total miles of track in each county without regard to the relative importance of the track mileage. This bill also would make technical and conforming changes to related provisions.

(2) By imposing new property tax allocation duties upon local officials, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) This bill would change the pro rata shares in which ad valorem property tax revenues are allocated among local agencies in a county, within the meaning of paragraph (3) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature.

(4) This bill would incorporate additional changes to Section 100 of the Revenue and Taxation Code, proposed by SB 1317, to be operative only if SB 1317 and this bill are both enacted, both bills amend the respective section, and this bill is enacted after SB 1317.

TEXT OF STATUTE

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SEC. 1

Section 100 of the Revenue and Taxation Code is amended to read:

100. Notwithstanding any other provision of law, commencing with the 1988-89 fiscal year, property tax assessed value attributable to unitary and operating nonunitary property, as defined in Sections 723 and 723.1, that is assessed by the State Board of Equalization shall be allocated by county as provided in Section 756, and the assessed value and revenues attributable to that allocation shall be allocated within each county as follows:

(a) Each county shall establish one countywide tax rate area. The assessed value of all unitary and operating nonunitary property shall be assigned to this tax rate area. No other property shall be assigned to this tax rate area.

(b) Property assigned to the tax rate area created by subdivision (a) shall be taxed at a rate equal to the sum of the following two rates:

(1) A rate determined by dividing the county's total ad valorem tax levies for the secured roll, including levies made pursuant to Section 96.8, for the prior year, exclusive of levies for debt service, by the county's total ad valorem secured roll assessed value for the prior year.

(2) A rate determined as follows:

(A) By dividing the county's total ad valorem tax levies for unitary and operating nonunitary property for the prior year debt service only by the county's total unitary and operating nonunitary assessed value for the prior year.

(B) Beginning with the 1989-90 fiscal year, adjusting the rate determined pursuant to subparagraph (A) by the percentage change between the two preceding fiscal years in the county's ad valorem debt service levy for the secured roll, not including unitary and operating nonunitary debt service.

(c) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (1) of subdivision

(b) shall be allocated as follows:

(1) For the 1988-89 fiscal year and each fiscal year thereafter, each taxing jurisdiction shall be allocated an amount of property tax revenue equal to 102 percent of the amount of the aggregate property tax revenue it received from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(2) If the amount of property tax revenue available for allocation in the current fiscal year is insufficient to make the allocations required by paragraph (1), the amount of revenue to be allocated to each taxing jurisdiction shall be prorated based on a factor determined by dividing the total amount of property tax revenue available to all taxing jurisdictions from unitary and operating nonunitary property in the current year, exclusive of revenue attributable to levies for debt service, by the total amount of property tax revenue received by all taxing jurisdictions from unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(3) If the amount of property tax revenue available for allocation to all taxing jurisdictions in the current fiscal year from unitary and operating nonunitary property, exclusive of revenue attributable to levies for debt service, exceeds 102 percent of the property tax revenue received by all taxing jurisdictions from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service, the amount of revenue in excess of 102 percent shall be allocated to all taxing jurisdictions in the county by a ratio determined by dividing each taxing jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for debt service, by the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for debt service.

(d) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (2) of subdivision (b) shall be allocated as follows:

(1) An amount shall be computed for each taxing jurisdiction and shall be determined by multiplying the amounts required in the current year pursuant to subdivisions (a) and (c) of Section 93 by that percentage that shall be determined by dividing the amount of property tax revenue the jurisdiction received in the prior year from unitary property and operating nonunitary property by the total amount of property tax revenue the jurisdiction received in the prior year from all property.

(2) The amount of property tax revenue available for allocation pursuant to this subdivision shall be allocated among taxing jurisdictions in the proportion that the amount computed for each taxing jurisdiction pursuant to paragraph (1) bears to the total amount computed pursuant to paragraph (1) for all taxing jurisdictions.

(3) If a taxing jurisdiction is levying a tax rate for debt service for the first time in the current fiscal year, for purposes of determining the percentage specified in paragraph (1), that percentage shall be the percentage determined by dividing the amount of property tax revenue received by that taxing jurisdiction in the prior year pursuant to subdivision (c) from unitary and operating nonunitary property by the total amount of property tax revenue received by that taxing jurisdiction in the prior year from all property within the taxing jurisdiction.

(e) For purposes of this section:

(1) "The county's total ad valorem tax levies for the secured roll" means all ad valorem tax levies for the county's secured roll, including the general tax levy, levies for debt service (including land only and land and improvement rates), and levies for redevelopment agencies.

(2) "The county's total ad valorem secured roll" means the county's local roll, after all exemptions except the homeowner's exemption, and the county's utility roll.

(3) "Taxing jurisdiction" includes a redevelopment agency.

(4) In a county of the second class, for the 1992-93 fiscal year and each fiscal year thereafter, "taxing jurisdiction" includes that fund that has been designated by the auditor as the "Unallocated Residual Public Utility Tax Fund." All revenues allocated to that fund pursuant to this section shall be deposited in that fund and shall be distributed as follows:

(A) For the 1992-93 fiscal year to the 1996-97 fiscal year, inclusive, at the discretion of the county board of supervisors.

(B) For the 1997-98 fiscal year, 100 percent to the Orange County Fire Authority.

(C) For the 1998-99 fiscal year and each fiscal year thereafter, in accordance with the following schedule:

(i) Fifty-seven and forty-seven hundredths percent to the Orange County Fire Authority.

(ii) Forty-one and forty-seven hundredths percent to the Orange County Library District.

(iii) Forty-eight hundredths percent to the Buena Park Library District.

(iv) Fifty-eight hundredths percent to the Placentia Library District.

(f) The assessed value of the unitary and operating nonunitary property shall be kept separate for each state assessee throughout the allocation process.

(g) Each state assessee shall be issued only one tax bill for all unitary and operating nonunitary property within the county.

(h) This section applies to the unitary property of regulated railway companies only to the extent described in Section 100.1.

(i) This section does not apply to property that on July 1, 1987, was undeveloped and owned by a utility and located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this section shall not apply to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county's auditor-controller prior to January 1, 1988.

(j) (1) For property that on July 1, 1990, was undeveloped and owned by a utility and that is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this subdivision applies to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the county auditor prior to August 1, 1991, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 96.2, 97.31, 98, 98.01, and 98.04, shall be subject to the allocation required by paragraph (2).

(2) The county auditor shall annually allocate to a city, county, or city and county, that has adopted and transmitted a resolution pursuant to paragraph (1), the amount of property tax revenues derived with respect to the property described in paragraph (1) that would be allocated to that city, county, or city and county if that property were subject to assessment by the county assessor. In order to provide the allocations required by this paragraph, the county auditor shall make any necessary pro rata reductions in allocations to local agencies other than that city, county, or city and county adopting and transmitting a resolution pursuant to paragraph (1), of property tax revenues derived with respect to the property described in paragraph (1).

(k) (1) For property subject to this section that is owned by a utility that serves no more than two counties and is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement for new construction and the city, county, or city and county

transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county auditor prior to January 1, 2006, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the requirements of paragraph (2).

(2) If the city, county, or city and county has adopted and transmitted a resolution pursuant to paragraph (1), the county auditor shall annually allocate the property tax revenue attributable to the new construction described in the development plan or agreement, as if that new construction were subject to assessment by the county assessor, according to the following formula:

(A) An amount of property tax revenue to school entities, as defined in subdivision (f) of Section 95, equivalent to the same percentage the school entities received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located.

(B) An amount of property tax revenue to the county in which the property is located equivalent to the same percentage the county received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located. The county shall distribute those property tax revenues to the county general fund, the county library district, the county flood control district, the county sanitation districts, and the county service areas.

(C) The property tax revenue remaining after the allocations described in subparagraphs (A) and (B) are made shall be distributed to the city in which the property described in paragraph (1) is located.

(3) In order to provide the allocations required by paragraph (2), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the property specified in paragraph (1) to jurisdictions other than those receiving an allocation under paragraph (2).

(I) The amendments made to this section by the act that added this subdivision apply for the 2007-08 fiscal year and for each fiscal year thereafter.

SEC. 1.5. Section 100 of the Revenue and Taxation Code is amended to read:

100. Notwithstanding any other provision of law, commencing with the 1988-89 fiscal year, property tax assessed value attributable to unitary and operating nonunitary property, as defined in Sections 723 and 723.1, that is assessed by the State Board of Equalization shall be allocated by county as provided in Section 756, and the assessed value and revenues attributable to that allocation shall be allocated within each county as follows:

(a) Each county shall establish one countywide tax rate area. The assessed value of all unitary and operating nonunitary property shall be assigned to this tax rate area. No other property shall be assigned to this tax rate area.

(b) Property assigned to the tax rate area created by subdivision (a) shall be taxed at a rate equal to the sum of the following two rates:

(1) A rate determined by dividing the county's total ad valorem tax levies for the secured roll, including levies made pursuant to Section 96.8, for the prior year, exclusive of levies for debt service, by the county's total ad valorem secured roll assessed value for the prior year.

(2) A rate determined as follows:

(A) By dividing the county's total ad valorem tax levies for unitary and operating nonunitary property for the prior year debt service only by the county's total unitary and operating nonunitary assessed value for the prior year.

(B) Beginning with the 1989-90 fiscal year, adjusting the rate determined pursuant to subparagraph (A) by the percentage change between the two preceding fiscal years in the county's ad valorem debt service levy for the secured roll, not including unitary and operating nonunitary debt service.

(c) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (1) of subdivision (b) shall be allocated as follows:

(1) For the 1988-89 fiscal year and each fiscal year thereafter, each taxing jurisdiction shall be allocated an amount of property tax revenue equal to 102 percent of the amount of the aggregate property tax revenue it received from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service.

(2) If the amount of property tax revenue available for allocation in the current fiscal year is insufficient to make the allocations required by paragraph (1), the amount of revenue to be allocated to each taxing jurisdiction shall be prorated based on a factor determined by dividing the total amount of property tax revenue available to all taxing jurisdictions from unitary and operating nonunitary property in the current year, exclusive of revenue attributable to levies for debt service, by the total amount of property tax revenue received by all taxing jurisdictions from unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(3) If the amount of property tax revenue available for allocation to all taxing jurisdictions in the current fiscal year from unitary and operating nonunitary property, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service, exceeds 102 percent of the property tax revenue received by all taxing jurisdictions from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service, the amount of revenue in excess of 102 percent shall be allocated to all taxing jurisdictions in the county by a ratio determined by dividing each taxing jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for qualified property under Section 100.95 and levies for debt service, by the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for qualified property under Section 100.95 and levies for debt service.

(d) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (2) of subdivision (b) shall be allocated as follows:

(1) An amount shall be computed for each taxing jurisdiction and shall be determined by multiplying the amounts required in the current year pursuant to subdivisions (a) and (c) of Section 93 by that percentage that shall be determined by dividing the amount of property tax revenue the jurisdiction received in the

prior year from unitary property and operating nonunitary property by the total amount of property tax revenue the jurisdiction received in the prior year from all property.

(2) The amount of property tax revenue available for allocation pursuant to this subdivision shall be allocated among taxing jurisdictions in the proportion that the amount computed for each taxing jurisdiction pursuant to paragraph (1) bears to the total amount computed pursuant to paragraph (1) for all taxing jurisdictions.

(3) If a taxing jurisdiction is levying a tax rate for debt service for the first time in the current fiscal year, for purposes of determining the percentage specified in paragraph (1), that percentage shall be the percentage determined by dividing the amount of property tax revenue received by that taxing jurisdiction in the prior year pursuant to subdivision (c) from unitary and operating nonunitary property by the total amount of property tax revenue received by that taxing jurisdiction in the prior year from all property within the taxing jurisdiction.

(e) For purposes of this section:

(1) "The county's total ad valorem tax levies for the secured roll" means all ad valorem tax levies for the county's secured roll, including the general tax levy, levies for debt service (including land only and land and improvement rates), and levies for redevelopment agencies.

(2) "The county's total ad valorem secured roll" means the county's local roll, after all exemptions except the homeowner's exemption, and the county's utility roll.

(3) "Taxing jurisdiction" includes a redevelopment agency.

(4) In a county of the second class, for the 1992-93 fiscal year and each fiscal year thereafter, "taxing jurisdiction" includes that fund that has been designated by the auditor as the "Unallocated Residual Public Utility Tax Fund." All revenues allocated to that fund pursuant to this section shall be deposited in that fund and shall be distributed as follows:

(A) For the 1992-93 fiscal year to the 1996-97 fiscal year, inclusive, at the discretion of the county board of supervisors.

(B) For the 1997-98 fiscal year, 100 percent to the Orange County Fire Authority.

(C) For the 1998-99 fiscal year and each fiscal year thereafter, in accordance with the following schedule:

(i) Fifty-seven and forty-seven hundredths percent to the Orange County Fire Authority.

(ii) Forty-one and forty-seven hundredths percent to the Orange County Library District.

(iii) Forty-eight hundredths percent to the Buena Park Library District.

(iv) Fifty-eight hundredths percent to the Placentia Library District.

(f) The assessed value of the unitary and operating nonunitary property shall be kept separate for each state assessee throughout the allocation process.

(g) Each state assessee shall be issued only one tax bill for all unitary and operating nonunitary property within the county.

(h) This section applies to the unitary property of regulated railway companies only to the extent described in Section 100.1.

(i) This section does not apply to property that on July 1, 1987, was undeveloped and owned by a utility and located within a city, county, or city and

county that adopts a resolution stating that the property is subject to a development plan or agreement and that this section shall not apply to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county's auditor-controller prior to January 1, 1988.

(j) (1) For property that on July 1, 1990, was undeveloped and owned by a utility and that is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this subdivision applies to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the county auditor prior to August 1, 1991, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 96.2, 97.31, 98, 98.01, and 98.04, shall be subject to the allocation required by paragraph (2).

(2) The county auditor shall annually allocate to a city, county, or city and county, that has adopted and transmitted a resolution pursuant to paragraph (1), the amount of property tax revenues derived with respect to the property described in paragraph (1) that would be allocated to that city, county, or city and county if that property were subject to assessment by the county assessor. In order to provide the allocations required by this paragraph, the county auditor shall make any necessary pro rata reductions in allocations to local agencies other than that city, county, or city and county adopting and transmitting a resolution pursuant to paragraph (1), of property tax revenues derived with respect to the property described in paragraph (1).

(k) (1) For property subject to this section that is owned by a utility that serves no more than two counties and is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement for new construction and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county auditor prior to January 1, 2006, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the requirements of paragraph (2).

(2) If the city, county, or city and county has adopted and transmitted a resolution pursuant to paragraph (1), the county auditor shall annually allocate the property tax revenue attributable to the new construction described in the development plan or agreement, as if that new construction were subject to assessment by the county assessor, according to the following formula:

(A) An amount of property tax revenue to school entities, as defined in subdivision (f) of Section 95, equivalent to the same percentage the school entities received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located.

(B) An amount of property tax revenue to the county in which the property is located equivalent to the same percentage the county received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located. The county shall distribute those property tax revenues to the county general fund, the county library district, the

county flood control district, the county sanitation districts, and the county service areas.

(C) The property tax revenue remaining after the allocations described in subparagraphs (A) and (B) are made shall be distributed to the city in which the property described in paragraph (1) is located.

(3) In order to provide the allocations required by paragraph (2), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the property specified in paragraph (1) to jurisdictions other than those receiving an allocation under paragraph (2).

(I) The amendments made to this section by the act that added this subdivision apply for the 2007-08 fiscal year and for each fiscal year thereafter.

SEC. 2. Section 100.1 of the Revenue and Taxation Code is amended to read:

100.1. Notwithstanding any other provision of law, for the 1988-89 to 2006-07 fiscal years, inclusive, property tax assessed value attributable to unitary property, as defined in Section 723, of a regulated railway company that is assessed by the State Board of Equalization, shall be allocated to tax rate areas as follows:

(a) Each tax rate area shall receive an amount of assessed value equal to the amount of assessed value received in the prior fiscal year adjusted for changes in track mileage unless the total amount of assessed value to be allocated is insufficient, in which case, each tax rate area shall receive a pro rata share of the amount it received in the prior fiscal year adjusted for changes in track mileage.

(b) If the total amount of assessed value to be allocated is greater than the amount of assessed value allocated in the prior fiscal year adjusted for changes in track mileage, each tax rate area shall receive a pro rata share of the amount in excess of the prior year's assessed value of the regulated railway company adjusted for track mileage.

(c) If a tax rate area is divided, the prior fiscal year amount of assessed value of the unitary property of the regulated railway company shall be divided among the resulting tax rate areas in the same proportion that the track mileage on unitary property is divided among the resulting tax rate areas.

(d) The assessed value allocated to each tax rate area under subdivision (a), (b), or (c) shall be further allocated between land, improvements, and personal property in the same proportion as existed for each regulated railway company statewide in the 1987-88 assessment year.

(e) For purposes of this section:

(1) "The amount of assessed value received in the prior fiscal year adjusted for changes in track mileage" means the prior year's amount of assessed value in each tax rate area after it has been adjusted upward or downward in direct proportion to the change in the amount of track mileage on unitary property in the current year over the prior year.

(2) "Track mileage" means the number of miles of track adjusted to reflect the relative importance of mainline, branch, and other track.

(f) This section is repealed on July 1, 2007.

SEC. 3. Section 100.11 is added to the Revenue and Taxation Code, to read:

100.11. (a) Notwithstanding any other law, for the 2007-08 fiscal year and for each fiscal year thereafter, property tax assessed value attributable to unitary property, as defined in Section 723, of a regulated railway company that is assessed by the State Board of Equalization, shall be allocated to tax rate areas as follows:

(1) With respect to the value of a qualified facility, both of the following apply:

(A) An amount of value equal to 20 percent of the original cost of the qualified facility shall be allocated exclusively to those tax rate areas in the county in which the facility is located. The tax rates applied to this value shall be the rates described in Section 93.

(B) The revenues derived from the application of these rates to the value described in subparagraph (A) shall be allocated to jurisdictions in those tax rate areas in the county in which the qualified property is located in percentage shares that are equivalent to the percentage shares that these jurisdictions received in the prior fiscal year from the property tax revenues paid by the regulated railway company in the county in which the qualified property is located. The county auditor shall ensure that school entities, as defined in subdivision (f) of Section 95, in these tax rate areas in a county are allocated an amount equivalent to the same percentage the school entities received in the prior fiscal year from the property tax revenues paid by the regulated railway company in the county.

(2) With respect to the value of unitary property of a regulated railway company that is not described in paragraph (1), all of the following apply:

(A) A countywide tax rate area shall be established in each county in which the property of a regulated railway company is located. Value shall be allocated to that countywide tax rate area according to the following:

(i) Each countywide tax rate area shall receive an amount of assessed value equal to the amount of assessed value received in the county for the prior fiscal year, adjusted for changes in track mileage, unless the total amount of assessed value to be allocated is insufficient, in which case, each countywide tax rate area shall receive a pro rata share of the amount it received in the prior fiscal year, adjusted for changes in track mileage.

(ii) If the total amount of assessed value to be allocated is greater than the amount of assessed value allocated for the prior fiscal year, adjusted for changes in track mileage, each countywide tax rate area shall receive a pro rata share of the amount in excess of the prior year's assessed value of the regulated railway company adjusted for track mileage.

(iii) The assessed value allocated to each countywide tax rate area under clauses (i) and (ii) shall be further allocated between land, improvements, and personal property in the same proportion that existed for each regulated railway company statewide for the 2006-07 assessment year.

(B) The tax rate applied to the value allocated to a countywide tax rate area under subparagraph (A) shall be the sum of the rates described in paragraphs (1) and (2) of subdivision (b) of Section 100.

(C) The revenues derived from the application of these rates to this value shall be allocated in the manner described in subdivisions (c) and (d) of Section 100, which manner shall be modified as follows:

(i) School entities, as defined in subdivision (f) of Section 95, in a county shall be allocated an amount equivalent to the same percentage the school entities received in the prior fiscal year from the property tax revenues paid by the regulated railway company in the county.

(ii) Notwithstanding any other law, for the 2007-08 fiscal year, a redevelopment agency shall not receive any property tax revenues described in this paragraph.

(b) For purposes of this section, the following terms have the following meanings:

(1) "Qualified facility" means a building, auto or container loading and unloading facility, or transload facility that meets both of the following criteria:

(A) The original cost of the completed facility, including land, but not including, track and track materials, is equal to or exceeds one hundred million dollars (\$100,000,000).

(B) The facility is completely constructed and placed in service after January 1, 2007.

(2) "The amount of assessed value received in the prior fiscal year adjusted for changes in track mileage" means the prior year's amount of assessed value in each county after it has been adjusted upward or downward in direct proportion to the change in the amount of track mileage on unitary property in the current year over the prior year.

(3) "Track mileage" means the number of total miles of track in a county.

SEC. 4. Section 755 of the Revenue and Taxation Code is amended to read:

755. (a) On or before July 15, the board shall transmit to each county auditor an estimate of the total unitary value and operating nonunitary value of state-assessed property in the county and of nonunitary state-assessed property in each revenue district in the county. An estimate need not be made for a revenue district that did not levy a tax or assessment during the preceding year unless the board receives on or before January 1 preceding the fiscal year for which the levy is to be made a notice in writing of the proposed levy. The estimate shall be regarded as establishing the total assessed value of state-assessed property in the county and each revenue district in the county for the purpose of determining tax rates, subject only to those changes as may be transmitted on or prior to July 31. All information furnished pursuant to this section is at all times during office hours open to inspection by any interested person or entity.

(b) Notwithstanding subdivision (a), in making the estimate referred to in subdivision (a), the value of property described in paragraph (1) of subdivision (a) of Section 100.1 and the nonunitary value of the property of regulated railway companies, property subject to subdivisions (i), (j), and (k) of Section 100, and property subject to Section 100.9 shall be allocated by revenue district.

(c) The amendments made to this section by the act that added this subdivision apply for the 2007-08 fiscal year and for each fiscal year thereafter.

SEC. 5. Section 756 of the Revenue and Taxation Code is amended to read:

756. (a) On or before July 31, the board shall transmit to each county auditor a roll showing the unitary and operating nonunitary assessments made by the board in the county and the nonoperating nonunitary assessments made by the

board in each city and revenue district in the county; provided, however, that the roll need not show the assessments made by the board in a revenue district which did not levy a tax or assessment during the preceding year. The roll is at all times, during office hours, open to the inspection of any person representing any taxing agency or revenue district, or any district described in Section 2131. If the roll does not show the assessments in a revenue district as herein provided and a notice of a proposed levy is furnished to the board in writing, on or before January 1 preceding the fiscal year for which the levy is to be made, the board shall furnish an estimate of the total assessed value of nonoperating nonunitary state-assessed property in the district and shall transmit thereafter to the county auditor a statement of roll change showing the nonoperating nonunitary assessments made by the board in the district.

(b) Notwithstanding subdivision (a), in making the roll referred to in subdivision (a), the value of property described in paragraph (1) of subdivision (a) of Section 100.1 and the nonunitary value of the property of regulated railway companies, property subject to subdivisions (i), (j), and (k) of Section 100, and property subject to Section 100.9 shall be enrolled by revenue district.

(c) The amendments made to this section by the act that added this subdivision apply for the 2007-08 fiscal year and for each fiscal year thereafter.

SEC. 6. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 7. Section 1.5 of this bill incorporates amendments to Section 100 of the Revenue and Taxation Code proposed by both this bill and SB 1317. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2007, (2) each bill amends Section 100 of the Revenue and Taxation Code, and (3) this bill is enacted after SB 1317, in which case Section 1 of this bill shall not become operative.

**UNIFORM GUIDELINES FOR THE IMPLEMENTATION
OF SENATE BILL 1317 (CH. 873, STATUTES OF 2006)
CONCERNING QUALIFIED PROPERTY OF PUBLIC UTILITIES
EFFECTIVE JULY 1, 2007**

Prepared by:

**The Accounting Standards and Procedures Committee of the
California State Association of County Auditors**

SB 1317
July 13, 2007

Guideline 11

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Section I: INTRODUCTION AND HISTORY

The California Constitution requires the Board of Equalization (BOE) to assess the value of utilities for property tax purposes. Utility property has been assessed as a unit on a "countywide" basis, rather than as individual properties owned by the utility on a "situs" basis. County auditors allocate property tax revenues from unitary properties to all jurisdictions in a county in proportion to each entities share of the county's total ad valorem property tax revenues in the prior year. Under this countywide system, all entities receive a share in the revenues regardless of whether any state-assessed property is located within its boundaries. Conversely, property tax revenues from locally assessed property (situs based) generally only flow to those local jurisdictions where the property is located.

Under the R&T Code §100 methodology, each taxing entity gets a share of the property tax revenues from countywide unitary, regardless of whether the new facility is within that taxing entity's boundaries. To overcome the oppositions, Public Utilities had successfully lobbied in passing legislations for exceptions of the R&T Code §100 methodology in allocating the property tax revenues from qualified properties such as the electrical power plants in San Diego County (the City of Chula Vista [AB 1108, 1993] and the City of Escondido [AB 2558, 2004]), PG & E education and training center in Alameda County (City of Livermore [SB 53, 1991]), and PacBell computer center in Solano County (City of Fairfield [AB 454, 1987])

SB 1317, from the 2007-08 fiscal year and thereafter, provides the methodology for allocating the property tax revenues derived from new public utility owned state-assessed property that is constructed after January 1, 2007. Property owned by the utility prior to this date would continue to be assessed and allocated on a countywide unitary basis. This bill requires the property tax revenue derived from specified new electrical substation, generation, and transmission facilities to be allocated entirely to the county in which the facilities are located, as specified in the newly added code, R&T 100.95.

The purpose of these guidelines is to provide a working set of the apportionment of this newly classified property, the qualified property of public utilities, and to serve as a resource for applying the legislative requirements on a uniform basis throughout the State of California.

It is with deep appreciation that we acknowledge the work of the following individuals and their respective staffs who significantly contributed to these guidelines.

Bob Campbell	Property Tax Manager, Contra Costa County
Irene Lui	Division Manager, County of Santa Clara
Jacelyn Ma	Senior Accountant, County of Santa Clara
Julie Aguero	Property Tax Manager, County of Monterey
Kim Le	Property Tax Manager, County of Sacramento
Pam Johnston	Assistant Tax Collector/Auditor, County of Sonoma
Richard Arrow	Auditor-Controller, County of Marin
Rod Dole	Auditor-Controller, County of Sonoma
Vinod Sharma	Property Tax Manager, County of Santa Clara
Dave Elledge	Chair, Controller-Treasurer, County of Santa Clara

Section II: DESCRIPTION AND NARRATIVE

SB 1317 (Chapter 872, Statutes of 2006) provides a permanent equitable methodology of allocating the property tax revenues from the Qualified Public Utility Properties. The State Board of Equalizations will allocate the total assessed values of the in-serviced facility to the county in which the qualifying property is located.

Countywide Tax Rate Area

Although not required by code, effective with the fiscal year 2008-09 (the first qualified property in existence,) a general countywide TRA 000-095 (numbered as a reference to R&T Code §100.95) is assigned to the values of the qualified properties. Additional information pertaining to the qualified property under TRA 000-095 will be included with the roll for the location of which the qualified property is located.

The qualified properties are to be taxed in the same manner as the unitary values pursuant to R&T Code §100(b), referenced in R&T Code §100.95 (a)(2). The tax rate includes both the 1% ad valorem tax rate and a unitary debt service ad valorem tax rate in the same manner as TRA 000-001.

Section III: SUGGESTED IMPLEMENTATION GUIDELINES

Methodology for the Apportionment of the Revenues

Apportionment of Debt Service Revenue:

The Debt Service Revenue portion is to be apportioned in the same manner of which the Debt Service Revenue portion of the TRA 000-001 is apportioned pursuant to R&T Code §100 (d) as referenced to R&T Code 100.95(a)(4).

Apportionment of the 1% Unitary Revenue:

The formula to allocate the 1% revenue portion of the TRA 000-095 is prescribed under the R&T Code §100.95(a)(3). The Countywide 1% tax derived from the assessed values of the in-service qualified facility is to be allocated in the following manner, as illustrated in Section IV, the Calculation Model Exhibit A.

- a) The county, school entities, educational revenue augmentation fund, and non-enterprise special districts will receive the same percentage of the unitary property tax revenues they received in the prior year pursuant to R&T Code §100.95(a)(3)(A)(i), §100.95(a)(3)(A)(ii), and §100.95(a)(3)(A)(iii).
- b) 90 percent of the remaining property tax revenues, after the allocation of the above, is to be allocated to the city or the county (if unincorporated) in which the qualified property is located in accordance with the R&T Code §100.95(a)(3)(B)(i).
- c) The remaining 10 percent of the property tax revenues is to be allocated to the water district or the city if the city is the water provider to the qualified property. If water services are provided to the qualified property by more than one water district, then those districts shall each receive an equal share of this revenue. If the water district is an non-ad-valorem taxing jurisdiction, then this remaining property tax revenues is based on the location of the property to either the city or the county (if unincorporated) in accordance with the R&T Code §100.95(a)(3)(B)(ii).
- d) All other entities in the county that would have otherwise received a share of the public utility's property tax revenues under the TRA 000-001 will receive no share of the property tax revenue derived from a qualified property.

If another new qualified property is placed in service in the County in a future year, the methodology for allocation of the property tax revenues is illustrated in Section IV, the Calculation Model Exhibit B, as follows:

- a) The values of a qualified facility are allocated in accordance to the R&T Code §100.95(a)(3).
- b) The allocation of revenues derived from the above are to be added to the revenues from the existing qualified property of the affected districts in

forming the new allocation factors for the 1% revenues portion of the TRA 000-095.

If the qualified property is decommissioned, the allocation of the 1% revenues portion of the qualified property is removed from the current revenue base as illustrated in Section IV, the Calculation Model Exhibit B.

The counties should track costs incurred in implementing provisions of this bill as it imposes new property tax allocation duties upon them. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill provides that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions. Therefore, pending review by the Commission on State Mandates, we suggest that the counties should track costs incurred in implementing provisions of this bill.

SECTION IV: DEFINITIONS

1. Qualified Public Utility Property means all plant and associated equipment, including substation facilities and fee-owned land and easements, placed in service by the public utility on or after January 1, 2007, and related to the following:

- (A) Electrical substation facilities that meet either of the following conditions:
 - (i) The high-side voltage of the facility's transformer is 50,000 volts or more.
 - (ii) The substation facilities are operated at 50,000 volts or more.
- (B) Electric generation facilities that have a nameplate generating capacity of 50 megawatts or more.
- (C) Electrical transmission line facilities of 200,000 volts or more.

A qualified public utility property does not include either of the following:

- a) Additions, modifications, reconductoring, or equivalent replacements to the plant and associated equipment made after the plant and associated equipment are placed in service.
- b) Property that is subject to subdivision (k) of Section 100.

2. Enterprise Special District means a special district, other than a special district described in the following paragraph that performs, as reported in the

2001-02 edition of the State Controller's Special Districts Annual Report, an enterprise function.

An "enterprise special district" does not include any of the following:

- a) A qualified special district, as defined in Section 97.34.
- b) A district organized pursuant to the Local Health Care District Law set forth in Division 23 (commencing with Section 32000) of the Health and Safety Code.
- c) A transit district.

Jurisdiction	FY08-09 Unitary Allocation per RT 100 [TRA 000-001]									FY08-09 Qualified Prop per RT 100.95 [TRA 000-095]		
	PY Unitary	Prior Yr		Factors for	Allocate 102%	Over 1.02%	Regular Unitary	CY Unitary		Q Prop A	Q Prop B	Total Qual Prop
	Factors	Apportioned Tax	VLF Swap	Subtotal	Tax over 102%	30,000,000	500,000	30,500,000	Factors	1,000,000	500,000	Tax Rev
	[a]	[b1]	[b2]	[b]=[b1]+[b2]	[b]%	[c] =at [a]%	[d] =at [b]%	[e]=[c]+[d]	[e]%	[f1]	[f2]	[f]=[f1]+[f2]
ERAF	0.06020	309,623,260	(131,644,787)	177,978,473	0.16018	1,806,000	80,092	1,886,092	0.06184	=\$1M*[a] 60,200	=\$0.5M*[a] 30,100	90,300
Chardonnay Unified	0.01200	45,366,495		45,366,495	0.04083	360,000	20,415	380,415	0.01247	12,000	6,000	18,000
Fume Blanc Elementary	0.00791	24,400,606		24,400,606	0.02196	237,300	10,980	248,280	0.00814	7,910	3,955	11,865
Chenin Blanc Elementary	0.01290	34,407,237		34,407,237	0.03097	387,000	15,484	402,484	0.01320	12,900	6,450	19,350
Adventure High School	0.00890	56,200,505		56,200,505	0.05058	267,000	25,291	292,291	0.00958	8,900	4,450	13,350
Sauvignon Blanc High School	0.00810	79,719,062		79,719,062	0.07175	243,000	35,874	278,874	0.00914	8,100	4,050	12,150
Grenache Rose Comm College	0.03110	87,286,094		87,286,094	0.07856	933,000	39,279	972,279	0.03188	31,100	15,550	46,650
County School Superintendant	0.03879	76,601,957		76,601,957	0.06894	1,163,700	34,471	1,198,171	0.03928	38,790	19,395	58,185
El Camino Dist (non-Ent)	0.00310	6,623,597		6,623,597	0.00596	93,000	2,981	95,981	0.00315	3,100	1,550	4,650
County General	0.11900	165,025,732	121,652,192	286,677,924	0.25801	3,570,000	129,007	3,699,007	0.12128	119,000	59,500	178,500
County - QP	0.00000								0.00000		314,100	314,100
City of Shiraz	0.10500	16,446,618	5,581,988	22,028,606	0.01983	3,150,000	9,913	3,159,913	0.10360	698,000		698,000
City of Merlot	0.11400	4,697,413	1,530,200	6,227,613	0.00560	3,420,000	2,802	3,422,802	0.11222			-
City of Zinfandel	0.09200	3,932,996	2,880,407	6,813,403	0.00613	2,760,000	3,066	2,763,066	0.09059			-
County Library	0.01100	13,918,741		13,918,741	0.01253	330,000	6,264	336,264	0.01103			-
Central Fire	0.01000	35,892,679		35,892,679	0.03230	300,000	16,152	316,152	0.01037			-
South County Fire Dist	0.00900	2,925,861		2,925,861	0.00263	270,000	1,317	271,317	0.00890			-
Pinot Noir Recreation & Park Dist	0.03300	75,019		75,019	0.00007	990,000	34	990,034	0.03246			-
Meritage Resource Cons. Dist	0.03100	42,600		42,600	0.00004	930,000	19	930,019	0.03049			-
Evian Water District	0.09200	3,750,102		3,750,102	0.00338	2,760,000	1,688	2,761,688	0.09055		34,900	34,900
Blanc de Noris RDA	0.09600	85,528,146		85,528,146	0.07698	2,880,000	38,488	2,918,488	0.09569			-
Brut RDA	0.10500	58,628,231	-	58,628,231	0.05277	3,150,000	26,383	3,176,383	0.10414	-	-	-
Grand Total	1.00000	1,111,092,951	-	1,111,092,951	1.00000	30,000,000	500,000	30,500,000	1.00000	1,000,000	500,000	1,500,000

Assumptions:

Unitary 1% tax levy: \$30.5M in TRA 000-001; and \$1.5M in TRA 000-095 for qualified property.

TRA0 00-095: Qualified Property		<u>1% Tax Levy</u>	
[f1] Prop A in	City of Shiraz	1,000,000	Water service by City
[f2] Prop B in	Unincorporated	500,000	Water service by Evian Water District
		<u>1,500,000</u>	

Notes: According to SBE, there's no Qualified Property as of Jan 1, 2007. Therefore, we assume that FY08-09 will be the first year implementing SB 1317

[e] Unitary allocation net of Qualified Prop at regular unitary allocation factors.

[f] Qualified property allocation:

1st Tier: County, Schools (inc. ERAF) & Non-Enterprise special District get prior year unitary factors [a]

2nd Tier: City (if annexed) or County (if unincorporated) get 90% of the balance; Water Service (County/City/Water District) gets 10%.

Jurisdiction	FY 09-10 Unitary Allocation per RT 100 [TRA 000-001]									FY09-10 Qualified Prop per RT 100.95 [TRA 000-095]			
	PY Unitary	Prior Yr			Factors for	Allocate 102%	Over 1.02%	Regular Unitary	CY Unitary	Q Prop A	Q Prop B	Q Prop C	Total Qual Prop
	Factors	Apportioned Tax	VLF Swap	Subtotal	Tax over 102%	31,110,000	890,000	32,000,000	Factor	1,200,000	0	1,600,000	Tax Rev
	[a]	[b1]	[b2]	[b]=[b1]+[b2]	[b]%	[c] =at [a]%	[d] =at [b]%	[e]=[c]+[d]	[e]%	[f1]	[f2]	[f3]	[f]=[f1]+[f2]+[f3]
ERAF	0.06184	325,104,423	(138,227,026)	186,877,397	0.16018	1,923,813	142,563	2,066,377	0.06457	= \$1.2M*[a] 74,207	= \$0*[a] -	= \$1.6M*[a] 98,943	173,149
Chardonnay Unified	0.01247	47,634,819		47,634,819	0.04083	388,024	36,339	424,363	0.01326	14,967	-	19,956	34,923
Fume Blanc Elementary	0.00814	25,620,636		25,620,636	0.02196	253,246	19,545	272,791	0.00852	9,768	-	13,025	22,793
Chenin Blanc Elementary	0.01320	36,127,599		36,127,599	0.03097	410,533	27,561	438,094	0.01369	15,835	-	21,114	36,949
Adventure High School	0.00958	59,010,530		59,010,530	0.05058	298,136	45,017	343,154	0.01072	11,500	-	15,333	26,833
Sauvignon Blanc High School	0.00914	83,705,016		83,705,016	0.07175	284,452	63,856	348,308	0.01088	10,972	-	14,629	25,602
Grenache Rose Comm College	0.03188	91,650,399		91,650,399	0.07856	991,725	69,917	1,061,642	0.03318	38,254	-	51,005	89,258
County School Superintendent	0.03928	80,432,055		80,432,055	0.06894	1,222,135	61,359	1,283,494	0.04011	47,141	-	62,855	109,996
El Camino Dist (non-Ent)	0.00315	6,954,777		6,954,777	0.00596	97,900	5,306	103,206	0.00323	3,776	-	5,035	8,811
County General	0.12128	173,277,019	127,734,802	301,011,820	0.25801	3,772,987	229,633	4,002,620	0.12508	145,535	-	194,046	339,581
County - QP	0.00000								0.00000		-		-
City of Shiraz	0.10360	17,268,949	5,861,087	23,130,036	0.01983	3,223,111	17,645	3,240,756	0.10127	828,044			828,044
City of Merlot	0.11222	4,932,284	1,606,710	6,538,994	0.00560	3,491,259	4,988	3,496,247	0.10926			993,653	993,653
City of Zinfandel	0.09059	4,129,646	3,024,427	7,154,073	0.00613	2,818,327	5,458	2,823,785	0.08824				-
County Library	0.01103	14,614,678		14,614,678	0.01253	342,989	11,149	354,138	0.01107				-
Central Fire	0.01037	37,687,313		37,687,313	0.03230	322,475	28,751	351,226	0.01098				-
South County Fire Dist	0.00890	3,072,154		3,072,154	0.00263	276,743	2,344	279,087	0.00872				-
Pinot Noir Recreation & Park Dist	0.03246	78,770		78,770	0.00007	1,009,834	60	1,009,895	0.03156				-
Meritage Resource Cons. Dist	0.03049	44,730		44,730	0.00004	948,620	34	948,654	0.02965			110,406	110,406
Evian Water District	0.09055	3,937,607		3,937,607	0.00338	2,816,921	3,004	2,819,925	0.08812		-		-
Blanc de Noris RDA	0.09569	89,804,553		89,804,553	0.07698	2,976,858	68,509	3,045,367	0.09517				-
Brut RDA	0.10414	61,559,643		61,559,643	0.05277	3,239,911	46,962	3,286,873	0.10271	-	-	-	-
Grand Total	1.00000	1,166,647,599	0	1,166,647,599	1.00000	31,110,000	890,000	32,000,000	1.00000	1,200,000	-	1,600,000	2,800,000

Assumptions:

Unitary 1% tax levy: \$32M in TRA 000-001; and \$2.8M in TRA 000-095 for qualified property.

TRA 000-095: Qualified Property 1% Tax Levy

[f1] Prop A in	City of Shiraz	1,200,000	placed in service Jan 1, 2008 - Water service by City
[f2] Prop B in	Unincorporated	0	originally placed in service Jan 1, 2008; but was then acquired by the State by Jan 1, 2009 and therefore an exempt property for FY 09-10.
[f3] Prop C in	City of Merlot	1,600,000	new QP - Water service by Water Dist 1
		<u>2,800,000</u>	

Note:

[e] Unitary allocation net of Qualified Prop at regular unitary allocation factors.

[f] Qualified property allocation:

1st Tier: County, Schools (inc. ERAF) & Non-Enterprise special District get prior year unitary factors [a]

2nd Tier: City (if annexed) or County (if unincorporated) get 90% of the balance; Water Service (County/City/Water District) gets 10%.

Section VI: APPENDIX

TEXT OF STATUTE – SB 1317 QUALIFIED PROPERTY OF PUBLIC UTILITIES

LEGISLATIVE COUNSEL'S DIGEST

SB 1317, Torlakson Property tax revenue allocations: public utilities: qualified property.

(1) The California Constitution requires the State Board of Equalization to assess the property, other than franchises, of companies transmitting or selling gas or electricity. Existing property tax law provides for the valuation, as a unit, of properties of a state assessee that are operated as a unit as a primary function of that assessee, and for the allocation of the assessed value of the unit among various counties in which the state-assessee's unitary property is located. Existing law also provides, pursuant to specified formulas, for the application in each county of specified tax rates to unitary assessed value, and for the allocation among jurisdictions in that county of the resulting revenues.

This bill would, for the 2007-08 fiscal year and for each fiscal year thereafter, require that the assessed value of qualified property, as defined, placed in service by a public utility on or after January 1, 2007, be allocated entirely to the county in which the property is located. This bill would also require that the property tax revenues derived from qualified property be allocated among the county, certain special districts, and school entities in the same percentage shares as revenues derived from the utility in the prior fiscal year. This bill would also require that the balance of these revenues remaining after these allocations have been made be allocated to water districts, cities, or the county, as specified. This bill would make findings and declarations that the bill not be construed to require the State Board of Equalization to modify its computerized roll system, as specified.

(2) By establishing new duties with respect to the annual allocation of property tax revenues derived from state-assessed property, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

(3) This bill would change the pro rata shares in which ad valorem property tax revenues are allocated among local agencies in a county, within the meaning of paragraph (3) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution, and thus would require for passage the approval of 2/3 of the membership of each house of the Legislature.

(4) This bill would incorporate additional changes to Section 100 of the Revenue and Taxation Code, proposed by AB 2670, to be operative only if AB 2670 and this bill are both enacted, both bills amend the respective section, and this bill is enacted after AB 2670.

TEXT OF STATUTE

SEC. 1. Section 100 of the Revenue and Taxation Code is amended to read:

100. Notwithstanding any other provision of law, commencing with the 1988-89 fiscal year, property tax assessed value attributable to unitary and operating nonunitary property, as defined in Sections 723 and 723.1, that is assessed by the State Board of Equalization shall be allocated by county as provided in Section 756, and the assessed value and revenues attributable to that allocation shall be allocated within each county as follows:

(a) Each county shall establish one countywide tax rate area. The assessed value of all unitary and operating nonunitary property shall be assigned to this tax rate area. No other property shall be assigned to this tax rate area.

(b) Property assigned to the tax rate area created by subdivision (a) shall be taxed at a rate equal to the sum of the following two rates:

(1) A rate determined by dividing the county's total ad valorem tax levies for the secured roll, including levies made pursuant to Section 96.8, for the prior year, exclusive of levies for debt service, by the county's total ad valorem secured roll assessed value for the prior year.

(2) A rate determined as follows:

(A) By dividing the county's total ad valorem tax levies for unitary and operating nonunitary property for the prior year debt service only by the county's total unitary and operating nonunitary assessed value for the prior year.

(B) Beginning with the 1989-90 fiscal year, adjusting the rate determined pursuant to subparagraph (A) by the percentage change between the two preceding fiscal years in the county's ad valorem debt service levy for the secured roll, not including unitary and operating nonunitary debt service.

(c) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) by the use of the tax rate determined in paragraph (1) of subdivision (b) shall be allocated as follows:

(1) For the 1988-89 fiscal year and each fiscal year thereafter, each taxing jurisdiction shall be allocated an amount of property tax revenue equal to 102 percent of the amount of the aggregate property tax revenue it received from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service.

(2) If the amount of property tax revenue available for allocation in the current fiscal year is insufficient to make the allocations required by paragraph (1), the amount of revenue to be allocated to each taxing jurisdiction shall be prorated based on a factor determined by dividing the total amount of property tax revenue available to all taxing jurisdictions from unitary and operating nonunitary property in the current year, exclusive of revenue attributable to levies for debt service, by the total amount of property tax revenue received by all taxing jurisdictions from unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service.

(3) If the amount of property tax revenue available for allocation to all taxing jurisdictions in the current fiscal year from unitary and operating nonunitary property, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service, exceeds 102 percent of the property tax revenue received by all taxing jurisdictions from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service, the amount of revenue in excess of 102 percent shall be allocated to all taxing jurisdictions in the county by a ratio determined by dividing each taxing jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for qualified property under Section 100.95 and levies for debt service, by the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for qualified property under Section 100.95 and levies for debt service.

(d) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) by the use of the tax rate determined in paragraph (2) of subdivision (b) shall be allocated as follows:

(1) An amount shall be computed for each taxing jurisdiction and shall be determined by multiplying the amounts required in the current year pursuant to subdivisions (a) and (c) of Section 93 by that percentage that shall be determined by dividing the amount of property tax revenue the jurisdiction received in the prior year from unitary property and operating nonunitary property by the total amount of property tax revenue the jurisdiction received in the prior year from all property.

(2) The amount of property tax revenue available for allocation pursuant to this subdivision shall be allocated among taxing jurisdictions in the proportion that the amount computed for each taxing jurisdiction pursuant to paragraph (1) bears to the total amount computed pursuant to paragraph (1) for all taxing jurisdictions.

(3) If a taxing jurisdiction is levying a tax rate for debt service for the first time in the current fiscal year, for purposes of determining the percentage specified in paragraph (1), that percentage shall be the percentage determined by dividing the amount of property tax revenue received by that taxing jurisdiction in the prior year pursuant to subdivision (c) from unitary and operating nonunitary property by the total amount of property tax revenue received by that taxing jurisdiction in the prior year from all property within the taxing jurisdiction.

(e) For purposes of this section:

(1) "The county's total ad valorem tax levies for the secured roll" means all ad valorem tax levies for the county's secured roll, including the general tax levy, levies for debt service (including land only and land and improvement rates), and levies for redevelopment agencies.

(2) "The county's total ad valorem secured roll" means the county's local roll, after all exemptions except the homeowner's exemption, and the county's utility roll.

(3) "Taxing jurisdiction" includes a redevelopment agency.

(4) In a county of the second class, for the 1992-93 fiscal year and each fiscal year thereafter, "taxing jurisdiction" includes that fund that has been designated by the auditor as the "Unallocated Residual Public Utility Tax Fund." All revenues

allocated to that fund pursuant to this section shall be deposited in that fund and shall be distributed as follows:

(A) For the 1992-93 fiscal year to the 1996-97 fiscal year, inclusive, at the discretion of the county board of supervisors.

(B) For the 1997-98 fiscal year, 100 percent to the Orange County Fire Authority.

(C) For the 1998-99 fiscal year and each fiscal year thereafter, in accordance with the following schedule:

(i) Fifty-seven and forty-seven hundredths percent to the Orange County Fire Authority.

(ii) Forty-one and forty-seven hundredths percent to the Orange County Library District.

(iii) Forty-eight hundredths percent to the Buena Park Library District.

(iv) Fifty-eight hundredths percent to the Placentia Library District.

(f) The assessed value of the unitary and operating nonunitary property shall be kept separate for each state assessee throughout the allocation process.

(g) Each state assessee shall be issued only one tax bill for all unitary and operating nonunitary property within the county.

(h) This section does not apply to unitary property of regulated railway companies.

(i) This section does not apply to property that on July 1, 1987, was undeveloped and owned by a utility and located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this section shall not apply to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county's auditor-controller prior to January 1, 1988.

(j) (1) For property that on July 1, 1990, was undeveloped and owned by a utility and that is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this subdivision applies to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the county auditor prior to August 1, 1991, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 96.2, 97.31, 98, 98.01, and 98.04, shall be subject to the allocation required by paragraph (2).

(2) The county auditor shall annually allocate to a city, county, or city and county, that has adopted and transmitted a resolution pursuant to paragraph (1), the amount of property tax revenues derived with respect to the property described in paragraph (1) that would be allocated to that city, county, or city and county if that property were subject to assessment by the county assessor. In order to provide the allocations required by this paragraph, the county auditor shall make any necessary pro rata reductions in allocations to local agencies other than that city, county, or city and county adopting and transmitting a resolution pursuant to paragraph (1), of property tax revenues derived with respect to the property described in paragraph (1).

(k) (1) For property subject to this section that is owned by a utility that serves no more than two counties and is located within a city, county, or city and county

that adopts a resolution stating that the property is subject to a development plan or agreement for new construction and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county auditor prior to January 1, 2006, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the requirements of paragraph (2).

(2) If the city, county, or city and county has adopted and transmitted a resolution pursuant to paragraph (1), the county auditor shall annually allocate the property tax revenue attributable to the new construction described in the development plan or agreement, as if that new construction were subject to assessment by the county assessor, according to the following formula:

(A) An amount of property tax revenue to school entities, as defined in subdivision (f) of Section 95, equivalent to the same percentage the school entities received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located.

(B) An amount of property tax revenue to the county in which the property is located equivalent to the same percentage the county received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located. The county shall distribute those property tax revenues to the county general fund, the county library district, the county flood control district, the county sanitation districts, and the county service areas.

(C) The property tax revenue remaining after the allocations described in subparagraphs (A) and (B) are made shall be distributed to the city in which the property described in paragraph (1) is located.

(3) In order to provide the allocations required by paragraph (2), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the property specified in paragraph (1) to jurisdictions other than those receiving an allocation under paragraph (2).

(I) The amendments made to this section by the act that added this subdivision apply for the 2007-08 fiscal year and for each fiscal year thereafter.

SEC. 1.5. Section 100 of the Revenue and Taxation Code is amended to read:

100. Notwithstanding any other provision of law, commencing with the 1988-89 fiscal year, property tax assessed value attributable to unitary and operating nonunitary property, as defined in Sections 723 and 723.1, that is assessed by the State Board of Equalization shall be allocated by county as provided in Section 756, and the assessed value and revenues attributable to that allocation shall be allocated within each county as follows:

(a) Each county shall establish one countywide tax rate area. The assessed value of all unitary and operating nonunitary property shall be assigned to this tax rate area. No other property shall be assigned to this tax rate area.

(b) Property assigned to the tax rate area created by subdivision (a) shall be taxed at a rate equal to the sum of the following two rates:

(1) A rate determined by dividing the county's total ad valorem tax levies for the secured roll, including levies made pursuant to Section 96.8, for the prior year,

exclusive of levies for debt service, by the county's total ad valorem secured roll assessed value for the prior year.

(2) A rate determined as follows:

(A) By dividing the county's total ad valorem tax levies for unitary and operating nonunitary property for the prior year debt service only by the county's total unitary and operating nonunitary assessed value for the prior year.

(B) Beginning with the 1989-90 fiscal year, adjusting the rate determined pursuant to subparagraph (A) by the percentage change between the two preceding fiscal years in the county's ad valorem debt service levy for the secured roll, not including unitary and operating nonunitary debt service.

(c) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (1) of subdivision (b) shall be allocated as follows:

(1) For the 1988-89 fiscal year and each fiscal year thereafter, each taxing jurisdiction shall be allocated an amount of property tax revenue equal to 102 percent of the amount of the aggregate property tax revenue it received from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service.

(2) If the amount of property tax revenue available for allocation in the current fiscal year is insufficient to make the allocations required by paragraph (1), the amount of revenue to be allocated to each taxing jurisdiction shall be prorated based on a factor determined by dividing the total amount of property tax revenue available to all taxing jurisdictions from unitary and operating nonunitary property in the current year, exclusive of revenue attributable to levies for debt service, by the total amount of property tax revenue received by all taxing jurisdictions from unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to levies for debt service. (3) If the amount of property tax revenue available for allocation to all taxing jurisdictions in the current fiscal year from unitary and operating nonunitary property, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service, exceeds 102 percent of the property tax revenue received by all taxing jurisdictions from all unitary and operating nonunitary property in the prior fiscal year, exclusive of revenue attributable to qualified property under Section 100.95 and levies for debt service, the amount of revenue in excess of 102 percent shall be allocated to all taxing jurisdictions in the county by a ratio determined by dividing each taxing jurisdiction's share of the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for qualified property under Section 100.95 and levies for debt service, by the county's total ad valorem tax levies for the secured roll for the prior year, exclusive of levies for qualified property under Section 100.95 and levies for debt service.

(d) The property tax revenue derived from the assessed value assigned to the countywide tax rate area pursuant to subdivision (a) and pursuant to paragraph (2) of subdivision (a) of Section 100.1 by the use of the tax rate determined in paragraph (2) of subdivision (b) shall be allocated as follows:

(1) An amount shall be computed for each taxing jurisdiction and shall be determined by multiplying the amounts required in the current year pursuant to subdivisions (a) and (c) of Section 93 by that percentage that shall be determined by dividing the amount of property tax revenue the jurisdiction received in the prior year from unitary property and operating nonunitary property by the total amount of property tax revenue the jurisdiction received in the prior year from all property.

(2) The amount of property tax revenue available for allocation pursuant to this subdivision shall be allocated among taxing jurisdictions in the proportion that the amount computed for each taxing jurisdiction pursuant to paragraph (1) bears to the total amount computed pursuant to paragraph (1) for all taxing jurisdictions.

(3) If a taxing jurisdiction is levying a tax rate for debt service for the first time in the current fiscal year, for purposes of determining the percentage specified in paragraph (1), that percentage shall be the percentage determined by dividing the amount of property tax revenue received by that taxing jurisdiction in the prior year pursuant to subdivision (c) from unitary and operating nonunitary property by the total amount of property tax revenue received by that taxing jurisdiction in the prior year from all property within the taxing jurisdiction.

(e) For purposes of this section:

(1) "The county's total ad valorem tax levies for the secured roll" means all ad valorem tax levies for the county's secured roll, including the general tax levy, levies for debt service (including land only and land and improvement rates), and levies for redevelopment agencies.

(2) "The county's total ad valorem secured roll" means the county's local roll, after all exemptions except the homeowner's exemption, and the county's utility roll.

(3) "Taxing jurisdiction" includes a redevelopment agency.

(4) In a county of the second class, for the 1992-93 fiscal year and each fiscal year thereafter, "taxing jurisdiction" includes that fund that has been designated by the auditor as the "Unallocated Residual Public Utility Tax Fund." All revenues allocated to that fund pursuant to this section shall be deposited in that fund and shall be distributed as follows:

(A) For the 1992-93 fiscal year to the 1996-97 fiscal year, inclusive, at the discretion of the county board of supervisors.

(B) For the 1997-98 fiscal year, 100 percent to the Orange County Fire Authority.

(C) For the 1998-99 fiscal year and each fiscal year thereafter, in accordance with the following schedule:

(i) Fifty-seven and forty-seven hundredths percent to the Orange County Fire Authority.

(ii) Forty-one and forty-seven hundredths percent to the Orange County Library District.

(iii) Forty-eight hundredths percent to the Buena Park Library District.

(iv) Fifty-eight hundredths percent to the Placentia Library District.

(f) The assessed value of the unitary and operating nonunitary property shall be kept separate for each state assessee throughout the allocation process.

(g) Each state assessee shall be issued only one tax bill for all unitary and operating nonunitary property within the county.

(h) This section applies to the unitary property of regulated railway companies only to the extent described in Section 100.1.

(i) This section does not apply to property that on July 1, 1987, was undeveloped and owned by a utility and located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this section shall not apply to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county's auditor-controller prior to January 1, 1988.

(j) (1) For property that on July 1, 1990, was undeveloped and owned by a utility and that is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement and that this subdivision applies to that property, and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the county auditor prior to August 1, 1991, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 96.2, 97.31, 98, 98.01, and 98.04, shall be subject to the allocation required by paragraph (2).

(2) The county auditor shall annually allocate to a city, county, or city and county, that has adopted and transmitted a resolution pursuant to paragraph (1), the amount of property tax revenues derived with respect to the property described in paragraph (1) that would be allocated to that city, county, or city and county if that property were subject to assessment by the county assessor. In order to provide the allocations required by this paragraph, the county auditor shall make any necessary pro rata reductions in allocations to local agencies other than that city, county, or city and county adopting and transmitting a resolution pursuant to paragraph (1), of property tax revenues derived with respect to the property described in paragraph (1).

(k) (1) For property subject to this section that is owned by a utility that serves no more than two counties and is located within a city, county, or city and county that adopts a resolution stating that the property is subject to a development plan or agreement for new construction and the city, county, or city and county transmits a copy of that resolution, including a legal description of the property, to the State Board of Equalization and the county auditor prior to January 1, 2006, the allocation of property tax revenues derived with respect to that property pursuant to Sections 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the requirements of paragraph (2).

(2) If the city, county, or city and county has adopted and transmitted a resolution pursuant to paragraph (1), the county auditor shall annually allocate the property tax revenue attributable to the new construction described in the development plan or agreement, as if that new construction were subject to assessment by the county assessor, according to the following formula:

(A) An amount of property tax revenue to school entities, as defined in subdivision (f) of Section 95, equivalent to the same percentage the school entities received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located.

(B) An amount of property tax revenue to the county in which the property is located equivalent to the same percentage the county received in the prior fiscal year of the property tax revenues paid by the utility in the county in which the property described in paragraph (1) is located. The county shall distribute those property tax revenues to the county general fund, the county library district, the county flood control district, the county sanitation districts, and the county service areas.

(C) The property tax revenue remaining after the allocations described in subparagraphs (A) and (B) are made shall be distributed to the city in which the property described in paragraph (1) is located.

(3) In order to provide the allocations required by paragraph (2), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the property specified in paragraph (1) to jurisdictions other than those receiving an allocation under paragraph (2).

(I) The amendments made to this section by the act that added this subdivision apply for the 2007–08 fiscal year and for each fiscal year thereafter.

SEC. 2. Section 100.95 is added to the Revenue and Taxation Code, to read:

100.95. (a) Notwithstanding any other law, for the 2007-08 fiscal year and each fiscal year thereafter, all of the following apply:

(1) The property tax assessed value of qualified property that is owned by a public utility and that is assessed by the State Board of Equalization shall be allocated entirely to the county in which the qualified property is located.

(2) The tax rate applied to the assessed value allocated pursuant to paragraph (1) shall be the rate calculated pursuant to subdivision (b) of Section 100.

(3) The county auditor shall allocate the property tax revenues derived from applying the tax rate described in paragraph (1) of subdivision (b) of Section 100 to the qualified property described in this section as follows:

(A) (i) School entities, as defined in subdivision (f) of Section 95, shall be allocated an amount equivalent to the same percentage the school entities received in the prior fiscal year from the property tax revenues paid by the utility in the county in which the qualified property is located.

(ii) The county in which the qualified property is located shall be allocated an amount equivalent to the same percentage the county received in the prior fiscal year from the property tax revenues paid by the utility in the county in which the qualified property is located.

(iii) Special districts, other than an "enterprise special district" as defined in paragraph (3) of subdivision (c), shall be allocated an amount equivalent to the same percentage that these special districts, other than enterprise special districts, received in the prior fiscal year from the property tax revenues paid by the utility in the county in which the qualified property is located.

(B) The balance of these revenues remaining after the allocations made under subparagraph (A) shall be allocated as follows:

(i) Ninety percent shall be allocated as follows:

(I) If the qualified property is located in a city, to the city in which that property is located.

(II) If the qualified property is located in an unincorporated area of the county, to the county.

(ii) Ten percent shall be allocated as follows:

(I) If the qualified property is provided water services by a water district that otherwise receives a property tax revenue allocation under this chapter, to that water district. If the qualified property is provided water services by more than one water district that otherwise receives a property tax revenue allocation under this chapter, those districts shall each receive an equal share of this revenue.

(II) If the qualified property is provided water services by a city, to that city.

(III) If the qualified property is provided water services by a private water company or a water district that does not otherwise receive a property tax revenue allocation under this chapter:

(aa) If the qualified property is located in a city, to the city in which that property is located.

(ab) If the qualified property is located in an unincorporated area of the county, to the county.

(4) The county auditor shall allocate the property tax revenues derived from applying the tax rate described in paragraph (2) of subdivision (b) of Section 100 to the qualified property described in this section in accordance with subdivision (d) of Section 100, except that school entities, as defined in subdivision (f) of Section 95, shall be allocated an amount equivalent to the same percentage the school entities received in the prior fiscal year from the property tax revenues paid by the utility in the county in which the qualified property is located.

(5) In order to provide the allocations required by paragraphs (3) and (4), the county auditor shall make any necessary pro rata reductions in allocations of property taxes attributable to the qualified property to jurisdictions other than those receiving an allocation under paragraphs (3) and (4).

(b) (1) A special district that serves more than one county shall spend property tax revenues allocated under this section within the county that allocated the property tax revenues in or near communities impacted by the qualified property.

(2) All other special districts that receive property tax revenues under this section and that have qualified property located entirely or partially within their jurisdiction shall spend the property tax revenues in or near communities impacted by the qualified property.

(c) For purposes of this section, all of the following apply:

(1) "Qualified property" means all plant and associated equipment, including substation facilities and fee-owned land and easements, placed in service by the public utility on or after January 1, 2007, and related to the following:

(A) Electrical substation facilities that meet either of the following conditions:

(i) The high-side voltage of the facility's transformer is 50,000 volts or more.

(ii) The substation facilities are operated at 50,000 volts or more.

(B) Electric generation facilities that have a nameplate generating capacity of 50 megawatts or more.

(C) Electrical transmission line facilities of 200,000 volts or more.

(2) "Qualified property" does not include either of the following:

(A) Additions, modifications, reconductoring, or equivalent replacements to the plant and associated equipment made after the plant and associated equipment are placed in service.

(B) Property that is subject to subdivision (k) of Section 100.

(3) (A) An "enterprise special district" means a special district, other than a special district described in subparagraph (B), that performs, as reported in the 2001-02 edition of the State Controller's Special Districts Annual Report, an enterprise function.

(B) An "enterprise special district" does not include any of the following:

(i) A qualified special district, as defined in Section 97.34.

(ii) A district organized pursuant to the Local Health Care District Law set forth in Division 23 (commencing with Section 32000) of the Health and Safety Code.

(iii) A transit district.

(4) A public utility shall provide to the State Board of Equalization a description of the qualified property that is subject to this section in the form prescribed by the board. The State Board of Equalization shall transmit to the auditor of each county in which qualified property is located the information necessary to identify that property and the corresponding assessed value data necessary to make the property tax revenue allocations required by this section.

SEC. 3. The Legislature finds and declares that, in order to implement this act in a cost-effective manner, this act shall not be construed to require the State Board of Equalization to modify its computerized roll system. In this respect, a public utility that owns qualified property that is subject to the allocation provisions of this act shall provide the State Board of Equalization with the information necessary to comply with any provision of this act.

SEC. 4. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

SEC. 5. Section 1.5 of this bill incorporates amendments to Section 100 of the Revenue and Taxation Code proposed by both this bill and AB 2670. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2007, (2) each bill amends Section 100 of the Revenue and Taxation Code, and (3) this bill is enacted after AB 2670, in which case Section 1 of this bill shall not become operative.