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CITY OF SACRAMENTO  
CALIFORNIA

OFFICE OF THE  
CITY MANAGER

APPROVED  
BY THE CITY COUNCIL

MAY 22 1984

OFFICE OF THE  
CITY CLERK

CITY HALL  
915 I STREET - 95814  
(916) 449-5704

May 1, 1984

For Board Agenda of:  
May 22, 1984

City Council  
Sacramento, California

County Board of Supervisors  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Agreement for Exchange of Property Taxes for  
Annexed Areas Pursuant to AB 8 (1979)

**SUMMARY**

The City Manager and the County Executive recommend approval of the attached resolution to extend the current master property tax transfer agreement between the City of Sacramento, the County of Sacramento and the special districts of Sacramento County pursuant to Revenue and Taxation Code Section 99 for jurisdictions affected by annexations and other jurisdictional changes.

**BACKGROUND**

Assembly Bill 8 (Chapter 282 - Statutes of 1979) amended the Revenue and Taxation Code to provide for a negotiated exchange of property tax revenues between agencies affected by a jurisdictional boundary change. Annexations cannot be completed until each affected jurisdiction adopts a resolution agreeing upon the disposition of the property tax revenues. Revenue and Taxation Code Section 99b(5) provides for the Board of Supervisors to negotiate on behalf of the special districts.

In January, 1982, the City and County adopted concurrent resolutions of agreement which specified the terms and conditions by which property tax revenue is divided in the event of an annexation/deannexation. The January 1982 agreement has expired and requires reenactment.

All parties involved are desirous of reenacting the 1982 agreement using the same property tax division formula so that the Willow Creek Annexation may proceed on schedule (17/82/M84-024). Under the terms of the agreement, the annexing City or special districts would receive the entire portion of the one percent (1%) property tax revenue previously received within the affected territory by the detaching special districts; provided, that in the case of the City, it would receive no more than 33.428 percent of the total property tax revenue allocated within the tax rate area (TRA). That percent is the average City share of property tax revenue from existing tax rate areas within the City. The County will receive that portion of property tax revenues from detaching special districts which is

in excess of the amount the City is allowed to receive. The special district would receive that portion of property tax revenues that the previous service providing special district had received.


Further, if the property tax revenue received by the City from the detaching special districts is less than 33.428 percent of the total property tax revenue allocated within the TRA created by the annexation, then the County's share within that TRA will be reduced by the amount required to bring the City share to 33.428 percent of the total TRA, and the City share will be increased by said amount.


This distribution formula will apply to both current tax revenues ("base") and future revenue growth ("increment"), and will be applied to all pending and future jurisdictional changes. However, this agreement will terminate effective January 1, 1986, unless the City and County resolve prior to that date to extend it.

**RECOMMENDATION**

It is recommended that the City Council and the Board of Supervisors approve the attached resolution. The identical resolution is before both bodies.

Respectfully submitted,

  
WALTER J. SLIPE  
City Manager

  
BRIAN H. RICHTER  
County Executive

Attachment

cc: LAFCO  
County Auditor-Controller  
City Director of Finance

# RESOLUTION NO. 84-425

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

## RESOLUTION OF AGREEMENT PURSUANT TO REVENUE AND TAXATION CODE SECTION 99 FOR EXCHANGE OF PROPERTY TAX REVENUES FOR TERRITORIES AFFECTED BY A JURISDICTIONAL CHANGE

WHEREAS, Subdivision (b) of Section 99 of Chapter 6 of the Revenue and Taxation Code requires an exchange of property tax revenues for territory affected by a jurisdictional change to be negotiated between the affected local agencies before such a jurisdictional change can be completed; and

WHEREAS, subdivision (d) of Section 99 of Chapter 6 of the Revenue and Taxation Code authorizes a county and any local agencies within the county to adopt a "master property tax transfer agreement" which may be revised from time to time by the parties to such an agreement; and

WHEREAS, the City of Sacramento (City) and the County of Sacramento (County) and the Special Districts of Sacramento County wish to facilitate orderly and expeditious jurisdictional changes, such as annexations; and

WHEREAS, the City and the County and the Board of Supervisors on behalf of the Special Districts have reached agreement pursuant to the above referenced code sections:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

That the annexing City or Special District shall receive the entire portion of the one percent (1%) property tax revenue previously received within the territory bounded by the newly created tax rate area (TRA) by the detaching special districts; provided, that in the case of the City it shall receive not more than 33.428 percent of the total property tax revenue allocated within the TRA, which percent is the average City share of property tax revenue from existing tax rate areas within the City. The County shall receive that portion of property tax revenues from detaching special districts which is in excess of the amount the City is allowed to receive. The Special District shall receive that portion of property tax revenues which the previous service providing Special District had received.

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BE IT FURTHER RESOLVED that if the property tax revenue received by the City from the detaching special districts is less than 33.428 percent of the total property tax revenue allocated within the TRA created by the annexation, then the County's share within that TRA shall be reduced by the amount required to bring the City share to 33.428 percent of the total TRA, and the City share shall be increased by said amount.

BE IT FURTHER RESOLVED that this distribution formula shall apply to both current tax revenues ("base") and future revenue growth ("increment").

BE IT FURTHER RESOLVED that for purposes of this resolution:

- (1) "Special District" is as defined in Chapter 3, Article 1, Sections 2215 and 2216 of the Revenue and Taxation Code, and includes "County Library" and "County Roads--Unincorporated Area."
- (2) "Property Tax Revenue" is as defined in subdivision (c) of Section 95 of Chapter 6 of the Revenue and Taxation Code.

BE IT FURTHER RESOLVED that this distribution formula shall be applied to all pending and future jurisdictional changes, provided that this agreement shall terminate effective January 1, 1986, unless the City and the County resolve prior to that date to extend this agreement.

BE IT FURTHER RESOLVED that any agreement entered into which is consistent with this resolution shall be considered a "Final Agreement" as that term is used in the Interim Agreement between the City of Sacramento and the County of Sacramento relating to the exchange of property tax revenues for the Zubiri/Natomas Oaks Reorganization.

BE IT FURTHER RESOLVED that the County Auditor be notified of this resolution pursuant to subdivision (b) of Section 99 of Chapter 6 of the Revenue and Taxation Code.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO COUNTY BOARD OF SUPERVISORS  
ON DATE OF:

## RESOLUTION OF AGREEMENT PURSUANT TO REVENUE AND TAXATION CODE SECTION 99 FOR EXCHANGE OF PROPERTY TAX REVENUES FOR TERRITORIES AFFECTED BY A JURISDICTIONAL CHANGE

WHEREAS, Subdivision (b) of Section 99 of Chapter 6 of the Revenue and Taxation Code requires an exchange of property tax revenues for territory affected by a jurisdictional change to be negotiated between the affected local agencies before such a jurisdictional change can be completed; and

WHEREAS, subdivision (d) of Section 99 of Chapter 6 of the Revenue and Taxation Code authorizes a county and any local agencies within the county to adopt a "master property tax transfer agreement" which may be revised from time to time by the parties to such an agreement; and

WHEREAS, the City of Sacramento (City) and the County of Sacramento (County) and the Special Districts of Sacramento County wish to facilitate orderly and expeditious jurisdictional changes, such as annexations; and

WHEREAS, the City and the County and the Board of Supervisors on behalf of the Special Districts have reached agreement pursuant to the above referenced code sections:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO:

That the annexing City or Special District shall receive the entire portion of the one percent (1%) property tax revenue previously received within the territory bounded by the newly created tax rate area (TRA) by the detaching special districts; provided, that in the case of the City it shall receive not more than 33.428 percent of the total property tax revenue allocated within the TRA, which percent is the average City share of property tax revenue from existing tax rate areas within the City. The County shall receive that portion of property tax revenues from detaching special districts which is in excess of the amount the City is allowed to receive. The Special District shall receive that portion of property tax revenues which the previous service providing Special District had received.

BE IT FURTHER RESOLVED that if the property tax revenue received by the City from the detaching special districts is less than 33.428 percent of the total property tax revenue allocated within the TRA created by the annexation, then the County's share within that TRA shall be reduced by the amount required to bring the City share to 33.428 percent of the total TRA, and the City share shall be increased by said amount.

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CHAIRPERSON  
BOARD OF SUPERVISORS

ATTEST:

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CLERK OF THE BOARD