



County of El Dorado

Chief Administrative Office

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TO: Members, Board of Supervisors

CC: Don Ashton, Chief Administrative Officer

FROM: Shawne Corley, Assistant Chief Administrative Officer

RE: March 24, 2020 Agenda #27 – AB 8 Property Tax Allocation Options upon Annexation

Chief Administrative Office is recommending that the Board consider options related to the allocation of property tax within the existing AB 8 allocation upon annexation to or by special districts within the County, and provide staff with policy direction for use in future annexation proposals.

At its December 10, 2019 meeting, the Board provided general direction for staff to return with a discussion on developing a policy for allocating property tax upon annexation.

In accordance with Revenue and Taxation Code Sections 99 and 99.01, negotiations are periodically completed regarding the redistribution of the property tax increments applicable to annexations of parcels to various special districts. Such annexations require the Board of Supervisors to approve an amended property tax allocation for affected agencies and special districts.

This memo is provided as supplemental information for use in this discussion. The below bullet-points provide information on allocations for certain districts, as well as allocation results of the more recent annexations.

- EID, consistent with past practice, generally accepts 2.667% as its new or revised allocation, although a higher allocation has been approved when the allocation is decreasing.
- El Dorado Hills Community Services District has generally requested an allocation not less than 11.2229%, although a lower allocation has been approved by the Board of Supervisors.
- In annexations where no other past practice or policy decision applies, recent staff recommendations have been to reduce all affected agencies by a proportionate amount in

order to increase the allocation for the subject agency by an amount reflective of surrounding Tax Rate Areas (TRAs) for the subject parcel(s).

- The AT&T/Bloxom Annexation (12/10/2019, Legistar #19-1677) annexed one parcel into the El Dorado County Fire Protection District. The agreed property tax allocation reflected:
 - EDCFPD: 9.0944%;
 - EID: decrease from 8.2814% to 6.8688%;
 - County Water Agency: decrease from 1.2142 to 1.0081%;
 - The increment for the County General Fund, the County Capital Outlay Fund, the Road District, CSA 7 (EMS/Ambulance) decreased by a proportion of 17% of each individual agencies' existing allocation.

- The Snyder Annexation (10/22/2019, Legistar #19-1273) annexed 1 parcel into El Dorado Irrigation District. The agreed property tax allocation reflected:
 - EID: 2.6667%;
 - El Dorado County Fire: decrease from 9.8348% to 9.3523%;
 - County Water Agency: decrease from 1.1936% to 1.1350%.
 - The increment for the County General Fund, the County Capital Outlay Fund, the Road District, the CSA 7 (EMS/Ambulance) decreased by a proportion of 5% of each individual agencies' existing allocation.

- The Eels Ranch Road Annexation (8/28/2018, Legistar #18-1221) annexed four parcels into the Garden Valley Fire Protection District. The agreed property tax allocation reflected:
 - Garden Valley Fire: 7.745%;
 - Georgetown Divide Rec. Dist.: decrease from 3.7158% to 3.0811%;
 - County Water Agency: decrease from 1.2164% to 1.0087%;
 - The increment for the County General Fund, the County Capital Outlay Fund, the Road District, CSA 7 (EMS/Ambulance) decreased by a proportion of 17% of each individual agencies' existing allocation.

- The Bass Lake Hills North Annexation (12/12/2017, Legistar #17-1234) annexed four parcels (50 acres of land to be developed into approximately 90 single family units) into the El Dorado Irrigation District. The agreed property tax allocation reflected:
 - EID: 2.6667%;
 - El Dorado Hills Fire: decrease from 19.1394% to 17.4594%;
 - El Dorado Hills CSD: decrease from 11.2229% to 10.2362%;
 - There was no change to the increment for the County General Fund, the County Capital Outlay Fund, the Road District, the County Water Agency, the CSA 7 (EMS/Ambulance), CSA 9 (Motherlode Recreation Tax Zone), or CSA 10 (Waste Management and Libraries).