



RESOLUTION NO. 072-2016

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO

WHEREAS, on June 10, 2014, the Board of Supervisors of the County of El Dorado ("County") adopted Resolution No. 064-2014, which transferred Latrobe Fire Protection District's property tax base and redistributed the future property tax annual tax increment (ATI) from within the Latrobe Fire Protection District's territory as a result of negotiations related to the concurrent dissolution of the Latrobe Fire Protection District (LAFCO Project Number 2014-03) and the annexation of the Latrobe Fire Protection District's dissolved territory and sphere of influence territory by the El Dorado Hills County Water District ("District") (LAFCO Project Number 2014-04); and

WHEREAS, in addition to the transfer of property tax base and redistributed future ATI related to the concurrent dissolution and annexation, Resolution No. 064-2014 also included a separate action for a negotiated transfer, under Revenue and Taxation Code Section 99.02 regarding a portion of the Revenue and Taxation Code Section 96.1 base property tax revenues, from the El Dorado County General Fund, the El Dorado County Accumulative Capital Outlay Fund, the El Dorado County Road District Tax Fund, and the El Dorado County Service Area #7 to District; and

WHEREAS, certain Revenue and Taxation Code Section 96.1 property tax revenues are encumbered by the Educational Revenue Augmentation Fund (ERAF) where non-school taxing jurisdictions have no right to receive the revenues associated with the ERAF encumbrance, and Revenue and Taxation Code Section 99.02 transfers of base property tax revenues also transfer the related ERAF liability/encumbrance to ensure ERAF remains whole as required by Revenue and Taxation Code Section 99.02(f)(4); and

WHEREAS, California Revenue and Taxation Code Section 99.02(b) authorizes local agencies to agree to an exchange of their property tax revenues that are allocable from tax rate areas shared by the local agencies and Revenue and Taxation Code Section 99.02(e) requires that each affected local agency hold a duly noticed public hearing to consider the effects of any proposed base property tax revenue transfer on fees, charges, assessments, taxes, or other revenues prior to approval of such transfer; and

WHEREAS, public hearings were not noticed and held in accordance with the requirements of Revenue and Taxation Code Section 99.02(e) prior to the Board of Supervisors' adoption of Resolution No. 064-2014; and

WHEREAS, having not met the requirements of Revenue and Taxation Code Section 99.02(e), the Board of Supervisors approval of the transfer of base property tax revenue included in Resolution No. 064-2014 was not authorized and was of no effect; and

WHEREAS, the Board of Supervisors desires to honor the commitment contemplated in Resolution No. 064-2014 by a preceding Board by effecting the entire transfer solely from the County General Fund's base property tax revenue commencing with the 2016-17 fiscal year; and

WHEREAS, the Board of Supervisors has conducted a public hearing April 19, 2016, to consider the effect of the proposed transfer on fees, charges, assessments, taxes, or other revenues. Notice of the hearing was published pursuant to Section 6061 of the Government Code; and

WHEREAS, this transfer shall not serve as a precedent and shall not be construed to set an expectation for the Board to consent to similar transfers in the future.

NOW, THEREFORE, BE IT RESOLVED by the El Dorado County Board of Supervisors that:

1. Commencing with the 2016-17 fiscal year, \$256,651.00 of the 2015-16 fiscal year's pre-ERAF Revenue and Taxation Code Section 96.1 base property tax revenues from the County General Fund shall be transferred to the District as follows:

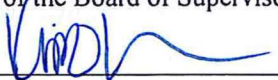
The El Dorado County Auditor-Controller shall transfer \$256,651 of the fiscal year's 2015-16 County General Fund pre-ERAF Revenue and Taxation Code Section 96.1 base property tax revenue to the District's pre-ERAF Section 96.1 base property tax revenue. The El Dorado County Auditor-Controller shall also transfer the fiscal year 2015-16's \$72,791 ERAF encumbrance that is associated with the \$256,651 from the County General Fund to the District. The net post-ERAF transfer of the 2015-16 fiscal year's Revenue and Taxation Code Section 96.1 base property tax revenues from the County to the District shall be \$183,860 (\$256,651 less \$72,791). Absent an additional Revenue and Taxation Code Section 96.1 transfer or change in law, commencing with fiscal year 2016/17, the Revenue and Taxation Code Section 96.1 base property tax revenue transfer and its associated ERAF encumbrance shall reside permanently with the District. The ERAF encumbrance will grow commensurate with the District's ATI, pursuant to Revenue and Taxation Code; and

2. Pursuant to Revenue and Taxation code Section 99.02(f), the County hereby makes the following findings with regard to this transfer of the County General Fund base property tax revenue to District:
 - a. Revenues are available for this purpose. General fund property tax revenues for fiscal year 2016-17 are projected to be \$63,171,738, an increase of \$3,395,392 over the current fiscal year, and \$3,138,741 more than the amount to be transferred.
 - b. The transfer will not result in any increase in the ratio between the amount of County General Fund revenues that are generated by regulatory licenses, use charges, user fees, or assessments and the amount of revenues of the County used to finance its current level of service. The County is not proposing to increase any fee, fine, charge, or assessment as a result of this transfer. The amount to be transferred will be offset by increased property tax revenues in fiscal year 2016-17, resulting in no net reduction of property tax revenue to the County;
 - c. The transfer will not impair the ability of the County to provide existing services. Due to the projected increase in property taxes for fiscal year 2016-17, this transfer will not reduce General Fund property tax revenue to the County below current levels; therefore, current levels of service will be maintained.
 - d. The transfer will not result in a reduction of property tax revenues to school entities. The County will ensure that all ERAF transfers that apply to the portion of the base property tax revenue are effected in accordance with all laws and regulations; and
3. This resolution rescinds and supercedes the section of Resolution No. 064-2014 related to the transfer of Revenue and Taxation Code Section 96.1 base property tax revenues pursuant to Revenue and Taxation Code Section 99.02.
4. County shall not be obligated to effect the transfer of General Fund base property tax revenues authorized hereunder unless and until District provides to County documentation that it has conducted a public hearing to consider the effect of the proposed transfer on fees, charges, assessments, taxes, or other revenues and that notice of the hearing was published pursuant to Section 6061 of the Government Code.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held the 19th day of April, 2016 by the following vote of said Board:

Attest:
James S. Mitrison
Clerk of the Board of Supervisors

Ayes: Veerkamp, Mikulaco, Frentzen, Ranalli, Novasel
Noes: None
Absent: None

By: 
Deputy Clerk


Chair, Board of Supervisors
Ron Mikulaco