



RESOLUTION NO.

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF EL DORADO AMENDING RESOLUTION NO. 072-2016 RELATED TO THE TRANSFER OF PROPERTY TAX REVENUES TO THE EL DORADO HILLS COUNTY WATER DISTRICT

WHEREAS, Section 99.02 of the Revenue and Taxation Code provides that any local agency may, by the adoption of a resolution of its governing body or governing board, voluntarily transfer any portion of its property tax revenues that is allocable to one or more tax rate areas within the local agency to one or more other local agencies having the same tax rate area or areas; and

WHEREAS, the County of El Dorado (County) and El Dorado Hills County Water District (District) share certain tax rate areas, and pursuant to the provisions of Section 99.02 the County can transfer property tax revenue to the District; and

WHEREAS, on June 10, 2014, the County Board of Supervisors adopted Resolution No. 064-2014, which redistributed property tax base and annual property tax increment as a result of negotiations related to the 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 District (LAFCO Project Number 2014-04); and

WHEREAS, in addition to the redistribution of property tax base and annual property tax increment related to the dissolution and annexation, Resolution No. 064-2014 also included a separate action for a negotiated transfer, under Revenue and Taxation Code Section 99.02, for 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, and the El Dorado County Road District Tax Fund, and the El Dorado County Service Area #7 to the reorganized El Dorado Hills County Water District; and

WHEREAS, certain Revenue and Taxation Code Section 96.1 base 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, 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 County and District have duly held noticed public hearings to consider the effect of the proposed transfer on fees, charges, assessments, taxes, or other revenues pursuant to Revenue and Taxation Code Section 99.02(e); and

WHEREAS, on April 19, 2016, the County Board of Supervisors adopted Resolution No. 072-2016, after a duly noticed public hearing, and made the necessary findings to effectuate the transfer of General Fund base property tax revenue as contemplated in Resolution No. 064-2014 commencing with the 2016-17 fiscal year; and

WHEREAS, on May 29, 2018, the District conducted a duly noticed public hearing in accordance with Revenue and Taxation Code Section 99.02(e) and adopted a resolution accepting and concurring in the transfer; and

WHEREAS, the Board of Supervisors desires to honor the commitment contemplated in Resolution No. 064-2014 and Resolution No. 072-2016 to effectuate the entire transfer from the County General Fund's base property tax revenues, and to amend Resolution No. 072-2016 to clarify that the revenue transfer will be prospective commencing with the 2018-19 fiscal year; and

WHEREAS, the Board of Supervisors intends to annually consider during the County budget process an additional transfer of the amount equivalent to the ERAF encumbrance associated with the transfer of the base property tax revenue to the District; and

WHEREAS, the property tax transfer will provide the District with additional revenues to use for fire suppression services for County residents and businesses.

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

1. Section 1 of Resolution No. 072-2016 is amended in its entirety to read as follows:

Commencing with the 2018-19 fiscal year, \$256,651 of the 2017-2018 fiscal year's pre-ERAF Revenue and Taxation Code Section 96.1 base property tax revenues from the County General Fund shall be reallocated and transferred to the District as follows:

The El Dorado County Auditor-Controller shall transfer \$256,651 of the fiscal year's 2017-18 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 2017-18 fiscal year's ERAF encumbrance associated with the \$256,651 from the County General Fund to the District. The net post-ERAF transfer of the 2017-18 fiscal year's Revenue and Taxation Code Section 96.1 base property tax revenues from the County to the District shall be \$256,651 less the ERAF encumbrance of approximately \$73,000. Absent an additional Revenue and Taxation Code Section 96.1 transfer or change in law, commencing with fiscal year 2018/19, 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 the Revenue and Taxation Code.

2. The Board of Supervisors concurs with the proposed transfer of property tax revenue described above, and hereby notifies the Auditor-Controller of the approved transfer.

3. The property tax revenue transfer described above is effective beginning FY 2018-19, which commences July 1, 2018.
4. Staff is directed to bring annually during the budget process for the Board's consideration an additional transfer to the District of the amount equivalent to the ERAF encumbrance described in Section 1 above.

PASSED AND ADOPTED by the Board of Supervisors of the County of El Dorado at a regular meeting of said Board, held the _____ day of _____, 20__, by the following vote of said Board:

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

Ayes:
Noes:
Absent:

By: _____
Deputy Clerk

_____ Chair, Board of Supervisors