

RESOLUTION NO. 2018-07

A RESOLUTION OF THE BOARD OF DIRECTORS  
RELATED TO THE TRANSFER OF PROPERTY TAX  
REVENUES FROM THE COUNTY OF EL DORADO  
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**, 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**, 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 intends to amend Resolution No. 072-2016 to clarify that the revenue transfer will be prospective commencing with the 2018-19 fiscal year and will conduct the necessary hearing in June, 2018; and

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

**WHEREAS**, notice of this Public Hearing to consider the effect of the proposed transfer or fees, charges, assessments, taxes or other revenues was provided as required by Government Code Section 6061 and Revenue and Taxation Code Section 99.02.

**NOW THEREFORE BE IT RESOLVED** by the District Board of Directors that:

1. District hereby accepts the transfer of Property Tax Revenue and concurs with County's actions with respect thereto 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.

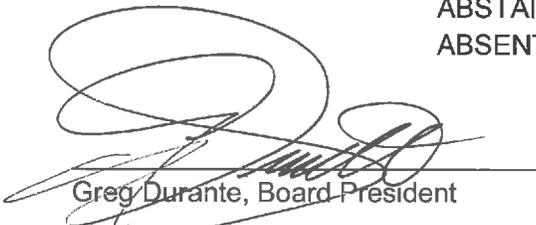
2. The District Board of Directors concurs with the proposed transfer of property tax revenue described above.

3. The property tax transfer described above is effective beginning FY 2018-19, which commences July 1, 2018.

4. The County Board of Supervisors has communicated to District its intent to annually consider, during its budget deliberations, an additional transfer equivalent to the ERAF encumbrance described in Section 1 hereinabove.

Passed and adopted this 29th day of May, 2018 by the following roll and call vote:

AYES:	<u>4</u>
NOES:	<u>0</u>
ABSTAIN:	<u>0</u>
ABSENT:	<u>1</u>



Greg Durante, Board President

ATTEST:



Jessica Braddock, Board Secretary