

Revenue & Taxation Code 99(b) Process for Special District Changes of Organizations and Reorganizations

Pursuant to Revenue & Taxation Code (“R&T Code”) sec. 99(d), a Master Property Tax Transfer Agreement was adopted by the Fresno County Board of Supervisors on December 20th, 1983 (Resolution No.83-726), for special district changes of organizations and reorganizations. Section 1, below, is an excerpt from that resolution describing how property tax will be allocated. Section 2, below, describes the procedure for an optional property tax revenue allocation.

Section 1. Property Tax Allocation Agreement

Except when an affected special district chooses to procedure with the optional procedure (below) under section C of Resolution No. 83-726, the County Auditor-Controller upon completion of a jurisdictional change affecting one or more special districts, shall determine and adjust property tax revenues in the following manner:

1. When a special district annexes territory to provide a service where such service had not been previously provided by any special district, no property tax revenue shall be transferred.
2. When a special district annexes territory to provide a service where such service was previously provided by another special district, the amount of property tax revenue attributed to the reduced district within the area annexed shall be determined and transferred from the reduced district to the annexing district.
3. When a special district is dissolved or detaches territory and that service within the area is to be terminated, the amount of property tax revenue attributed to the abandoned service district within the area attached or dissolved shall be determined and transferred from the detaching or dissolved shall be determined and transferred from the detaching to dissolved district to all other local agencies which continue to serve with the detached area. Each local agency shall share the transferred revenue and any future annual tax increment in the same proportion which it shares the total property tax revenue from the area dissolved or detached.

Section 2. Optional Procedure

Any special district affected by jurisdictional change covered herein may, at its option, require that the property tax transfer, if any, be determined as a separate issue in accordance with section 99 or section 99.1 of the R&T Code as follows:

1. When a proposal for jurisdictional change is submitted the Local Agency Formation Commission, the Executive Officer so notifies each agency whose service area of responsibility would be affected (See example of a notification letter (“Attachment A”)).
2. Any such affected special district may within 15 days of the receiving the Executive Officer’s notice, execute its option by written notice to LAFCO requiring that the provisions of this resolution not apply to jurisdictional change.

3. If so notified by the special district, the Executive Officer shall proceed only in accordance with the specific provisions of section 99 or section 99.1 of the Revenue and Taxation Code.

G:\LAFCo Projects\Districts\00 Property Tax Sharing Agmt_Nego\RT Code procedure 11102020.docx