

RESOLUTION NO. 2024-140

**RESOLUTION OF THE SOLANO COUNTY BOARD OF SUPERVISORS RESCINDING
RESOLUTION 2000-72 AND AUTHORIZING THE TERMINATION OF THE AMENDED
MASTER PROPERTY TAX TRANSFER AGREEMENT BETWEEN THE COUNTY AND THE
SEVEN CITIES OF THE COUNTY UPON JURISDICTIONAL CHANGE**

WHEREAS, on April 4, 2000, the Solano County Board of Supervisors adopted Resolution No. 2000-72 approving an amended Master Property Tax Transfer Agreement between the County and the seven cities within Solano County to be used upon jurisdictional change, pursuant to the provisions of Cal. Revenue & Taxation Code section 99(d); and

WHEREAS, the Master Property Tax Transfer Agreement has not been reviewed and/or updated since it was approved in 2000; and

WHEREAS, the Solano County Board of Supervisors desires to terminate the Master Property Tax Transfer Agreement by providing notice in accordance with the Agreement's termination clause; and

WHEREAS, new annexation proposals will be addressed on a case by case basis until a new Master Property Tax Transfer Agreement can be negotiated.

RESOLVED, the Solano County Board of Supervisors rescinds Resolution 2000-72 and directs the County Administrator to provide written notice of termination of the Master Property Tax Transfer Agreement to each of the cities of Solano County.


Passed and adopted by the Solano County Board of Supervisors at its regular meeting on August 13, 2024, by the following vote:

AYES:	SUPERVISORS	<u>Hannigan, Brown, Williams, Vasquez, and Chair Mashburn</u>
NOES:	SUPERVISORS	<u>None</u>
EXCUSED:	SUPERVISORS	<u>None</u>



MITCH H. MASHBURN, Chair
Solano County Board of Supervisors

ATTEST:
BILL EMLLEN, Clerk
Board of Supervisors

By: 
Alicia Draves, Chief Deputy Clerk

**MASTER PROPERTY TAX TRANSFER AGREEMENT FOR ALLOCATION
OF PROPERTY TAX BETWEEN THE COUNTY OF SOLANO
AND THE SEVEN CITIES OF THE COUNTY
UPON JURISDICTIONAL CHANGE
[REVENUE AND TAXATION CODE SECTION 99 (d)]**

By Resolution No. 2000-72, adopted by the Board of Supervisors of the County of Solano, and by a Resolution adopted by the City Councils of each of the seven Cities of Solano County, the County of Solano (COUNTY) and the Cities (CITIES) agree as follows:

1. This Agreement is a master property tax transfer agreement, under authority of California Revenue and Taxation Code Section 99 (d), between the COUNTY and the seven CITIES of Solano County for the purpose of specifying the allocation of property tax revenues upon a jurisdictional change in which any one of the CITIES is an affected City and COUNTY is an affected County.

2. Except for the exclusions specified in this Paragraph 2, the jurisdictional changes governed by this Agreement are all those local agency boundary changes defined in Revenue and Taxation Code Section 95 (e) as jurisdictional changes, occurring during the applicable period of the Agreement, where COUNTY is the affected County and one of the CITIES is an affected City. The following types of jurisdictional changes are to be excluded from this Agreement:

a) Boundary changes involving a city incorporation or formations of districts (e.g., reorganizations involving concurrent formation of a special district and annexation to a city);

b) Jurisdictional changes which would result in a special district providing one or more services to an area where such services have not been previously provided by any local agency and to which Section 99.1 of the Revenue and Taxation Code applies.

c) Any one of the CITIES or the COUNTY may notify the other affected party that for any specific annexation proposal, the party providing notice is invoking Paragraph 2 (c) of this Agreement, to exclude the specific annexation proposal from the Agreement. This notice shall state the reason that the Master Agreement is unacceptable, and be provided by the party requesting an exception pursuant to this paragraph 2 within FIFTEEN (15) working days from the date the petition is accepted for filing by the Local agency Formation Commission. The notice shall be provided to either the County Administrator, if instituted by a City, or to the City Manager, if instituted by the County. This provision is designed to provide for a case by case negotiation of specific tax sharing provisions in an annexation that would create significant impacts due to the shift in service costs or lost revenue. Significant impacts based upon lost revenue shall not include revenue anticipated from future development of the annexed area. When this section is invoked by any party, both affected parties agree that they shall negotiate in good faith for an equitable and timely agreement, that shall apply solely to that specific annexation. In no event shall the negotiation period exceed the THIRTY (30) days provided for as the maximum under provisions of Revenue and Taxation Code section 99 (b) (1) (B) (6).

3. The allocations specified in Paragraph 7, herein below, and in Exhibit "A" attached hereto, shall be made for any jurisdictional change governed by this Agreement as specified in Paragraph 2, herein above, if proceedings for the jurisdictional change have been or are completed after March 1, 2000.

4. For any property tax allocation to be made under this Agreement, the Auditor-Controller of Solano County shall first apply Paragraph 7, below, and Exhibit "A", to allocate the property tax revenues thereunder for the fiscal year for which the State Board of Equalization makes the tax rate area change (s) for the jurisdictional change. Such allocation shall continue indefinitely thereafter unless changed by agreement of both affected parties hereto or until changed under the terms of this Agreement upon a subsequent jurisdictional change involving one or more of the tax rate area (s) within the affected territory of the prior jurisdictional change.

5. The following definitions shall apply to this Agreement:

a) "Base tax" shall mean those property tax revenues specified as being subject to allocation in Revenue and Taxation Code section 96 (a) and 96 (d) for fiscal year 1979-80 and Revenue and Taxation Code Section 97 (a) and (b) for fiscal year 1980-81 and all subsequent fiscal years.

b) "Annual tax increment" shall mean those property tax revenue specified as being subject to allocation in Revenue and Taxation Code Section 96 (c) for fiscal year 1979-80 and Revenue and Taxation Code Section 97 (c) for fiscal year 1980-81 and all subsequent fiscal years. Annual tax increment shall include revenues accruing due to the increase in assessed valuation for the preceding fiscal year because of changes of ownership and new construction and because of the inflation adjustment authorized by Section 2 (b) of Article XIII A of the California Constitution

c) "Annual tax increment allocation factor" shall mean the numerical factor, expressed as a percent, that is used to accomplish the proportionate allocation of the annual tax increment, as specified in Revenue and Taxation Code Section 98 (e).

d) "Proceedings" means those actions taken pursuant to Government Code Sections 57000-57090.

e) "Affected territory" shall be as specified in Government Code Section 57015.

f) "Affected City or Cities" shall be as specified in Government Code Section 57011.

g) "Affected County" shall be as specified in Government Code Section 57012.

h) "Affected District" shall be as specified in Government Code Section 57013.

6. Insofar as not inconsistent with the foregoing definitions or any other provisions of the Agreement, the definitions of Section 95 and 2215 of the Revenue and Taxation Code shall apply to this Agreement.

7. For a jurisdictional change for which the allocation of taxes is made under this Agreement, such allocation shall be made in accordance with the following:

(a) Initial Year.

(1) Base tax. Except as provided in Paragraph 7 (a) (3) of this Agreement, an affected CITY shall be allocated the base tax from revenue generated from within the subject territory which would otherwise be allocated to the affected special districts. Annexations or other included changes in organization which occur during the year shall be prorated, utilizing a monthly calculation, between the affected CITY and the affected special districts.

(2) Annual tax increment. Except as provided in Paragraph 7 (a) (3) of this Agreement, each CITY shall have an annual tax increment allocation factor established for each tax rate area in the affected territory equal to that outlined in the table set forth in Exhibit "A", attached hereto, and made a part hereof, and made a part hereof as though set forth fully herein. The COUNTY'S new annual tax increment allocation factor shall be its former factor minus the affected CITY'S factor as derived in the preceding sentence, and shall include the taxes previously allocated to special districts no longer providing services to the affected territory.

(3) For a jurisdictional change in which a special district, such as Solano Irrigation District, which usually detached from incorporated territory does not detached, but continues to provide services within the jurisdiction, the allocation to the affected CITY as specified in Paragraphs 7 (a) (1) (Base tax) and 7 (a) (2) (Annual tax increment) shall be reduced by the base tax and tax rate allocation factor of that special district.

(b) Subsequent years. In each subsequent year, the affected CITY'S and COUNTY'S allocation of property taxes from the affected territory will be made as set forth in Revenue and Taxation Code Sections 97 and 98. Each agency allocated its base tax each year (i.e., the tax allocated to the agency in the preceding year) including the previous year's annual tax increment for the affected territory, such share being calculated by multiplying the tax resulting from growth in assessed valuation in the affected territory during the year times the agency's annual tax increment allocation factor (s) for that territory as determined in Paragraph 7 (a) (2) or 7 (a) (3), above. The result (i.e., base plus increment) becomes the base tax for the next year's tax allocation calculations. Each agency's base tax and annual tax increment allocation factors may be subsequently modified only through negotiated exchanges in accordance with Revenue and Taxation Code Sections 99 and/or 99.1 for subsequent jurisdictional changes or as otherwise may be directed by a change in law.

8. For any jurisdictional change in which there are existing sources of taxes as specified in this paragraph exceeding Five Thousand Dollars (\$5,000.00) in the aggregate for any of the three preceding complete fiscal years prior to the filing of the certificate of completion, the COUNTY shall receive that tax, adjusted annually based upon the percentage change in the CPI, plus any increase in the rates of those taxes.

The Five Thousand Dollar (\$5,000.00) base and protected amount shall be increased annually commencing March 1, 2000, based upon the San Francisco Bay Area CPI-U for the preceding year. Those taxes shall be:

- (a) Sales and Use Tax
- (b) Transient Occupancy Tax
- (c) Hazardous Waste License Tax
- (d) Deed Transfer Tax
- (e) Franchise Taxes

This provision shall remain in effect as long as the original source continues to generate at least the base amount. Alternatively, an affected CITY or the COUNTY shall have the option of declaring this Agreement inapplicable to any jurisdictional change which would be subject to this Paragraph 8.

9. It is the intent of the CITY and the COUNTY that the COUNTY continue to receive the same percentage of CHP fines and forfeitures in relation to a CITY as COUNTY received in FY 1983-84, notwithstanding any jurisdictional changes under the provisions of this Agreement. A formula to implement this intent shall be negotiated and agreed to by CITY and COUNTY at the time of the implementation of this Agreement. Should the State adopt legislation prohibiting the COUNTY from collecting and retaining any CHP fines and forfeitures, the CITY may seek to obtain or retain those affected CHP fines and forfeitures from the State, notwithstanding any other provisions of this Agreement.

10. The provisions of this Agreement, relative to allocation of property taxes shall neither apply to, nor supersede, any agreements for the allocation of tax increment funds within any existing redevelopment projects; or any distribution of taxes pursuant to provisions of Health and Safety Code Section 33670.

11. Either party may terminate this Agreement upon providing the other party written notice of termination at least ninety (90) days prior to the termination becoming effective. Notice of termination shall be delivered as follows:

COUNTY OF SOLANO

Clerk to the Board
of Supervisors
580 Texas Street
Fairfield, CA 94533

CITY OF DIXON

City Clerk
City of Dixon
600 East A Street
Dixon, CA 95620

CITY OF RIO VISTA

City Clerk
City of Rio Vista
1 Main Street
Rio Vista, Ca 94571

CITY OF BENICIA

City Clerk
City of Benicia
250 East L Street
Benicia, CA 94510

CITY OF FAIRFIELD

City Clerk
City of Fairfield
1000 Webster Street
Fairfield, CA 94533

CITY OF SUISUN CITY

City Clerk
City of Suisun City
701 Civic Center Blvd.
Suisun City, CA 94585

CITY OF VACAVILLE

City Clerk
City of Vacaville
650 Merchant Street
Vacaville, CA 95688

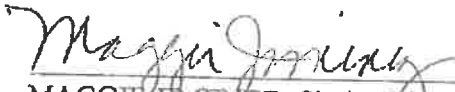
CITY OF VALLEJO

City Clerk
City of Vallejo
555 Santa Clara Street
Vallejo, CA 94590

Such termination shall not act to affect any proposed jurisdictional change for which a Certificate of Filing has been issued by LAFCO or its Executive Officer prior to the termination date.

Dated: April 4, 2000

ATTEST:


MAGGIE JIMENEZ, Clerk of the
Board of Supervisors

COUNTY OF SOLANO, a Political
Subdivision of the State of California

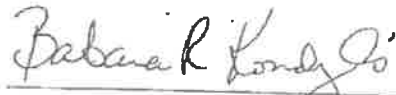

BARBARA R. KONDYLIS
Chairwoman of the Board
of Supervisors

EXHIBIT A

FUTURE TAX INCREMENT SHARE FOR AFFECTED CITIES

	<u>FY99/2000</u>	<u>FY2000/01 & Beyond</u>
Benicia	16.47%	To be reduced by or increased by an amount equal to property tax shift due to State Budget actions of 2000/01 or beyond.
Dixon	16.32%	
Fairfield	12.45%	
Rio Vista	11.40%	
Suisun	14.47%	
Vacaville	14.94%	
Vallejo	11.23%	

1 DIRECTORY = A:\AB 8
 2 FILE NAME = CITIESANNEXCALC199900
 3 SHEET = ERAFIMPACTCOCITIES

EXHIBIT A
 NEW

5 DATE 14-Mar-00
 6 TIME 04:10:59 PM

ERAF IMPACTS ON SOLANO COUNTY AND ALL SEVEN CITIES

PROPORTIONATE "SHARING THE PAIN" ERAF ADJUSTMENTS

CITY	FY-1999/00 ERAF ADJUSTMENT	FY-1999/00 AB 8 ALLOCATION	FY-1999/00 CITY ERAF LOSS RATE	FY-1999/00 COUNTY ERAF LOSS RATE	TOTAL COUNTY & CITY ERAF LOSS RATE	FY-1992/93 ADJUSTED ERAF LOSS	AVERAGE ERAF LOSS RATE	FY-1992/93 PROPERTY TAX TRANSFER RATE	REDUCTIONS	NEW ADJUSTED PROPERTY TAX TRANSFER RATE
	A	B	C (A/B)	D	E (C + D)	F	G ((E-F)/2)	H	I (G x H)	J (H - I)
BENICIA	1,440,207	8,475,796	0.169920	0.358514	0.528434	0.105000	0.211717	0.208000	0.044249	0.164751
DIXON	494,176	2,167,745	0.227968	0.358514	0.586482	0.105000	0.240741	0.215000	0.051759	0.163241
FAIRFIELD	2,180,585	10,971,402	0.198752	0.358514	0.557266	0.105000	0.226133	0.161000	0.036407	0.124593
RIO VISTA	110,362	448,132	0.246271	0.358514	0.604785	0.105000	0.249893	0.152000	0.037984	0.114016
SUISUN	218,399	1,685,458	0.129578	0.358514	0.488092	0.105000	0.191546	0.178000	0.034287	0.144713
VACAVILLE	1,793,509	10,885,329	0.164764	0.358514	0.523278	0.105000	0.209139	0.189000	0.039527	0.149473
VALLEJO	2,519,663	11,531,019	0.218512	0.358514	0.577026	0.105000	0.236013	0.147000	0.034694	0.112306

1999/00 E.R.A.F. RATE FOR FUND 1 - GENERAL FUND

1999/00 ERAF ADJUSTMENT = 25,578,431 = 0.358514
 1999/00 AB 8 ALLOCATION 71,345,778