

AMENDED IN SENATE APRIL 2, 2001

AMENDED IN SENATE MARCH 14, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 30

Introduced by Senators Brulte and Oller

**(Coauthors: Senators Ackerman, Battin, Haynes, Johannessen,
Knight, Morrow, and Poochigian)**

(Coauthors: Assembly Members Ashburn, Bill Campbell, Cogdill,
Cox, Florez, Leach, Leslie, Maddox, Robert Pacheco, Pescetti,
Runner, and Wyman)

February 5, 2001

An act to amend and repeal Section 41204.1 of the Education Code, to add Sections 96.08 and 97.08 to, and to repeal Section 97.43 of, the Revenue and Taxation Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 30, as amended, Brulte. Powerplant facilities: property tax revenue allocations.

Existing property tax law requires the county assessor to assess the value of certain electric generation facilities. Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.

This bill would require that the property tax revenues derived from locally assessed new electrical generation property, as defined, *that is locally approved* be allocated entirely to the county, city, or city and county in which the primary power-generating operation of the new electrical generation property is located.

Existing property tax law reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, that the amounts of property tax revenue deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

This bill would modify these reduction and transfer provisions by requiring certain revenues otherwise allocated to a county's Educational Revenue Augmentation Fund to instead be allocated to ~~qualified local agencies and~~ excess school tax entities, ~~as defined~~, as reimbursement for revenue losses suffered by those agencies under other provisions of this bill.

By establishing new duties with respect to the annual allocation of property tax revenues, this bill would create a state-mandated local program.

This bill also would state the intent of the Legislature, and would require the Director of Finance to make certain adjustments, with respect to ensuring that the modifications required by this bill and earlier acts to property tax revenue allocations do not have a net fiscal impact on school districts or community college districts, or upon the state's obligation under the California Constitution to provide funding to those districts. This bill would also make technical, nonsubstantive changes with respect to these provisions and other related provisions.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.



Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 41204.1 of the Education Code, as
2 amended by Chapter 1111 of the Statutes of 1996, is amended to
3 read:

4 41204.1. (a) (1) Pursuant to paragraph (2) of subdivision (b)
5 of Section 41204, the Director of Finance shall annually adjust
6 “the percentage of General Fund revenues appropriated for school
7 districts and community college districts, respectively, in the
8 1986–87 fiscal year,” for purposes of applying paragraph (1) of
9 subdivision (b) of Section 8 of Article XVI of the California
10 Constitution, to reflect those property tax revenue allocation
11 modifications required by the amendments made to Chapter 6
12 (commencing with Section 95) of Part 0.5 of Division 1 of the
13 Revenue and Taxation Code and by the qualifying provisions in a
14 manner that ensures that those modifications will have no net fiscal
15 impact upon the amounts that are otherwise required to be applied
16 by the state for the support of school districts and community
17 college districts pursuant to Section 8 of Article XVI of the
18 California Constitution.

19 (2) For purposes of this section, “qualifying provisions”
20 means the following:

21 (A) The amendments made to Chapter 6 (commencing with
22 Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation
23 Code during the 1991–92 Regular Session and the 1993–94
24 Regular Session.

25 (B) The amendments made to Sections 97.2 and 97.3 of the
26 Revenue and Taxation Code by Chapter 1111 of the Statutes of
27 1996.

28 (C) Sections 96.08 and 97.08 of the Revenue and Taxation
29 Code.

30 (b) Notwithstanding any other provision of law, for the
31 2002–03 fiscal year and each fiscal year thereafter, the percentage
32 of “General Fund revenues appropriated for school districts and
33 community college districts, respectively, in fiscal year
34 1986–87,” for purposes of paragraph (1) of subdivision (b) of
35 Section 8 of Article XVI of the California Constitution, shall be



1 deemed to be the percentage of General Fund revenues that would
2 have been appropriated for those entities if the amendments made
3 to Chapter 6 (commencing with Section 95) of Part 0.5 of Division
4 1 of the Revenue and Taxation Code during the 1991–92 Regular
5 Session, the amendments made to that same chapter during the
6 1993–94 Regular Session, and Sections 96.08 and 97.08 of the
7 Revenue and Taxation Code, had been operative for the 1986–87
8 fiscal year.

9 (c) In no event may the recalculations required by subdivisions
10 (a) and (b) result in a percentage that exceeds the “percentage of
11 General Fund revenues appropriated for school districts and
12 community college districts, respectively, in fiscal year
13 1986–87,” for purposes of paragraph (1) of subdivision (b) of
14 Section 8 of Article XVI of the California Constitution prior to the
15 amendments made to Chapter 6 (commencing with Section 95) of
16 Part 0.5 of Division 1 of the Revenue and Taxation Code during
17 the 1991–92 Regular Session.

18 (d) It is the intent of the Legislature to ensure the following:

19 (1) That the changes required by the qualifying provisions in
20 the allocations of ad valorem property tax revenues do not have a
21 net fiscal impact upon school districts, as defined in Section
22 41302.5, or community college districts.

23 (2) That the changes required by the qualifying provisions in
24 the allocations of ad valorem property tax revenues do not have a
25 net fiscal impact upon the amounts of revenue otherwise required
26 to be applied by the state for the support of school districts and
27 community college districts pursuant to Section 8 of Article XVI
28 of the California Constitution.

29 SEC. 2. Section 41204.1 of the Education Code, as amended
30 by Section 1 of Chapter 84 of the Statutes of 1999, is repealed.

31 SEC. 3. Section 96.08 is added to the Revenue and Taxation
32 Code, to read:

33 96.08. (a) Notwithstanding any other provision of this
34 chapter, in the 2001–02 fiscal year and each fiscal year thereafter,
35 those property tax revenues derived from *locally approved* new
36 electrical generation property shall be allocated exclusively to the
37 county, city, or city and county in which that *locally approved* new
38 electrical generation property is located.

39 (b) For purposes of this section:



1 (1) “New electrical generation property” means, for any fiscal
 2 year to which this section applies, an improvement to real property
 3 in the form of a powerplant, cogeneration facility, or new
 4 generation facility that is ~~completed and first placed in service in~~
 5 ~~the calendar year immediately preceding that same fiscal year.~~
 6 *approved on or after the effective date of this act.* “New electrical
 7 generation property” does not include new electrical generation
 8 property that is located in a redevelopment project area.

9 (2) New electrical generation property is located in a county
 10 only if it is located within the unincorporated area of that county.

11 (c) For the 2002–03 fiscal year and each fiscal year thereafter,
 12 the amounts allocated to ~~local agencies jurisdictions~~ under
 13 subdivision (a) of Section 96.1 shall fully reflect the allocation
 14 modifications required by subdivision (a) for a prior fiscal year.

15 (d) Each reduction resulting from the implementation of
 16 subdivision (a) in the amount of ad valorem property tax revenues
 17 deposited in the county’s Educational Revenue Augmentation
 18 Fund shall be applied exclusively to reduce the amounts that are
 19 allocated from that fund to school districts and county offices of
 20 education, and may not be applied to reduce the amounts of ad
 21 valorem property tax revenues that are allocated from that fund to
 22 community college districts.

23 SEC. 4. Section 97.08 is added to the Revenue and Taxation
 24 Code, to read:

25 97.08. (a) Notwithstanding any other provision of law, for
 26 the 2001–02 fiscal year and each fiscal year thereafter, the auditor
 27 shall modify those property tax revenue allocations otherwise
 28 required by this chapter in accordance with both of the following:

29 (1) Each ~~qualified local agency or~~ excess tax school entity shall
 30 be allocated an additional amount of property tax revenue that is
 31 equal to the additional amount of property tax revenue, derived
 32 from new electrical generation property as defined in Section
 33 96.08, that would have been allocated to the ~~qualified local agency~~
 34 ~~or~~ excess school tax entity, but for Section 96.08.

35 (2) The total amount of property tax revenue allocated to the
 36 county’s Educational Revenue Augmentation Fund shall be
 37 reduced by the total amount of additional allocations required by
 38 paragraph (1).

39 ~~(b) For purposes of this section, “qualified local agency”~~
 40 ~~means a local agency that would have received, but for Section~~



1 ~~96.08, additional property tax revenue derived from new electrical~~
2 ~~generation property.~~

3 ~~(e)~~

4 (b) Each reduction resulting from the implementation of
5 subdivision (a) in the amount of ad valorem property tax revenues
6 deposited in the county’s Educational Revenue Augmentation
7 Fund shall be applied exclusively to reduce the amounts that are
8 allocated from that fund to school districts and county offices of
9 education, and may not be applied to reduce the amounts of ad
10 valorem property tax revenues that are allocated from that fund to
11 community college districts.

12 SEC. 5. Section 97.43 of the Revenue and Taxation Code is
13 repealed.

14 SEC. 6. No reimbursement is required by this act pursuant to
15 Section 6 of Article XIII B of the California Constitution because
16 this act provides for offsetting savings to local agencies or school
17 districts that result in no net costs to the local agencies or school
18 districts, within the meaning of Section 17556 of the Government
19 Code.

