

AMENDED IN ASSEMBLY APRIL 4, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

ASSEMBLY BILL

No. 1146

Introduced by Assembly Member Huff

February 22, 2005

An act to add Section 99.5 to the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1146, as amended, Huff. Local government finance: ad valorem property tax—~~allocations~~ revenues: negotiated—~~exchanges~~ transfers.

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 ~~state the intent of the Legislature to enact the necessary statutory changes to authorize a county and cities within that require the board of supervisors of each county to negotiate, in good faith, with the governing body of qualified cities, as defined, within the county to exchange allocations of transfer from the county treasury to those cities, an amount equal to a portion of ad valorem property tax revenues between apportioned to the county and those cities.~~

By requiring counties and cities to engage in these negotiations, this bill would impose a state-mandated local program.

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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

1 ~~SECTION 1. It is the intent of the Legislature to enact the~~
2 *SECTION 1. Section 99.5 is added to the Revenue and*
3 *Taxation Code, to read:*
4 *99.5. (a) The board of supervisors of each county shall*
5 *negotiate in good faith with the governing body of each qualified*
6 *city within the county to determine whether to transfer to that*
7 *qualified city, from the county treasury for a public purpose, an*
8 *amount equal to a specified portion of the county’s annual ad*
9 *valorem property tax revenue apportionment.*
10 *(b) For purposes of this section, “qualified city” means a city*
11 *in which less than 5 percent of its territory is zoned for*
12 *commercial use.*
13 *SEC. 2. If the Commission on State Mandates determines that*
14 *this act contains costs mandated by the state, reimbursement to*
15 *local agencies and school districts for those costs shall be made*
16 *pursuant to Part 7 (commencing with Section 17500) of Division*
17 *4 of Title 2 of the Government Code.*
18 ~~necessary statutory changes to authorize a county and the cities~~
19 ~~within that county to negotiate in good faith to exchange~~
20 ~~allocations of ad valorem property tax revenues between the~~
21 ~~county and those cities.~~