

**ASSEMBLY BILL**

**No. 1499**

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**Introduced by Assembly Member Gray**

February 27, 2015

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An act to amend Section 96.1 of the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1499, as introduced, Gray. Property tax: revenue allocations.

Existing property tax law generally requires the county auditor, in each fiscal year, to allocate property tax revenues 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 make a nonsubstantive change to that provision.

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

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

1 SECTION 1. Section 96.1 of the Revenue and Taxation Code  
2 is amended to read:  
3 96.1. (a) Except as otherwise provided in Article 3  
4 (commencing with Section 97), and in Article 4 (commencing with  
5 Section 98), for the 1980–81 fiscal year and each fiscal year  
6 thereafter, property tax revenues shall be apportioned to each  
7 jurisdiction pursuant to this section and Section 96.2 by the county

1 auditor, subject to allocation and payment of funds as provided  
2 for in subdivision (b) of Section 33670 of the Health and Safety  
3 Code and subparagraph (D) of paragraph (3) of subdivision (g) of  
4 Section 53395.8 of the Government Code, to each jurisdiction in  
5 the following manner:

6 (1) For ~~each~~ every tax rate area, each jurisdiction shall be  
7 allocated an amount of property tax revenue equal to the amount  
8 of property tax revenue allocated pursuant to this chapter to each  
9 jurisdiction in the prior fiscal year, modified by any adjustments  
10 required by Section 99 or 99.02.

11 (2) The difference between the total amount of property tax  
12 revenue and the amounts allocated pursuant to paragraph (1) shall  
13 be allocated pursuant to Section 96.5, and shall be known as the  
14 “annual tax increment.”

15 (3) For purposes of this section, the amount of property tax  
16 revenue referred to in paragraph (1) shall not include amounts  
17 generated by the increased assessments under Chapter 3.5  
18 (commencing with Section 75).

19 (b) Any allocation of property tax revenue that was subjected  
20 to a prior completed audit by the Controller, pursuant to the  
21 requirements of Section 12468 of the Government Code, where  
22 all findings have been resolved, shall be deemed correct.

23 (c) (1) Guidelines for legislation implementation issued and  
24 determined necessary by the State Association of County Auditors,  
25 and when adopted as regulations by either the Controller or the  
26 Department of Finance pursuant to Chapter 3.5 (commencing with  
27 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
28 Code, shall be considered an authoritative source deemed correct  
29 until some future clarification by legislation or court decision.

30 (2) If a county auditor knowingly does not follow the guidelines  
31 referred to in paragraph (1), that county auditor shall inform the  
32 Controller of the reason or reasons for not following the guidelines.  
33 If the Controller disagrees with the stated reason or reasons for  
34 not following the guidelines, the provisions of paragraph (3) do  
35 not apply.

36 (3) If, by audit begun on or after July 1, 2001, or discovery by  
37 an entity on or after July 1, 2001, it is determined that an allocation  
38 method is required to be adjusted and a reallocation is required for  
39 previous fiscal years, the cumulative reallocation or adjustment  
40 may not exceed 1 percent of the total amount levied at a 1-percent

1 rate of the current year's original secured tax roll. The reallocation  
2 shall be completed in equal increments within the following three  
3 fiscal years, or as negotiated with the Controller in the case of  
4 reallocation to the Educational Revenue Augmentation Fund or  
5 school entities.

6 (4) If it is determined that an allocation method is required to  
7 be adjusted as provided in paragraph (3), the county auditor shall,  
8 in the fiscal year following the fiscal year in which this  
9 determination is made, correct the allocation method in accordance  
10 with statute.

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