Assembly Bill No. 339

CHAPTER 166

An act to amend Section 30055 of the Government Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 1997. Filed with Secretary of State August 4, 1997.]

LEGISLATIVE COUNSEL'S DIGEST

AB 339, Takasugi. Sales and use taxes: revenue allocation: local public safety services.

Existing law requires that revenues derived from a specified state sales and use tax rate imposed by the California Constitution be apportioned to certain counties, to be allocated to those counties and the cities within those counties for the funding of local public safety services, as defined. Existing law generally requires, for the 1996–97 fiscal year and each fiscal year thereafter, that each recipient county allocate these sales and use tax revenues to those cities within its boundaries that provide public safety services in accordance with an allocation factor determined as a ratio for each of those cities in accordance with a specified formula. The formula contains a specified percentage cap that limits the size of this ratio.

This bill would eliminate this general allocation requirement, and would require, commencing with September 1997, that each recipient city be allocated a reconciliation amount, as defined, in 36 monthly installments. This bill would also generally require, for the 1997–98 fiscal year and each fiscal year thereafter, that each recipient city be allocated an amount determined in accordance with the portion of revenues that was allocated to that city for the 1995–96 fiscal year. By imposing new duties with respect to the allocation of sales and use tax revenues within certain counties, 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, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed $1,000,000 statewide and other procedures for claims whose statewide costs exceed $1,000,000.

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.

This bill would incorporate additional changes in Section 30055 of the Government Code, proposed by AB 334, to be operative only if AB 334 and this bill are both chaptered and become effective on or before January 1, 1998, and this bill is chaptered last.

This bill would provide that it would be operative only if AB 334 of the 1997–98 Regular Session is enacted and becomes effective on or before January 1, 1998.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 30055 of the Government Code is amended to read:

30055. For the 1996–97 fiscal year and each fiscal year thereafter, each county shall establish a Public Safety Augmentation Fund in the county treasury to receive those revenues allocated to the county pursuant to Sections 30052 and 30053. Amounts deposited in this fund shall be expended exclusively to fund public safety services, and for that purpose shall be allocated among the county and the cities in the county that provide public safety services, as follows:

(a) In allocating revenues from the Public Safety Augmentation Fund to cities, the auditor shall, except as otherwise provided in subdivision (b), (c), (d), or (e), comply with all of the following:

(1) For the 1997–98 fiscal year and each fiscal year thereafter, the auditor shall allocate to each city from the county's Public Safety Augmentation Fund the same percentage of the total amount of moneys deposited in that fund that was allocated to that city for the 1995–96 fiscal year.

(2) (A) In accordance with the payment schedule set forth in subparagraph (B), the auditor shall, commencing with September 1997, allocate to each city that city's reconciliation amount if, and only if, the reconciliation amount is a positive number. For purposes of this subparagraph, a city's reconciliation amount means the difference between the following amounts:

(i) The amount that would have been allocated to that city from the county's Public Safety Augmentation Fund for the 1996–97 fiscal year, if moneys had been so allocated to that city using the same percentage of the total amount of money deposited in that fund that was allocated to that city for the 1995–96 fiscal year.

(ii) The amount that was in fact allocated from the county's Public Safety Augmentation Fund to that city for the 1996–97 fiscal year.

(B) The auditor shall allocate each city's reconciliation amount to that city in 36 equal and consecutive monthly installments, commencing on September 1, 1997. Each of these installments shall be paid at the same time as the regular monthly allocation made to that city pursuant to this section, and no interest shall be paid on any

of these installments. However, if directed by the board of supervisors, the county auditor may expedite payment of the installments.

(b) Notwithstanding subdivision (a), the amount in the augmentation fund established pursuant to this section in each county described in paragraph (3) shall be allocated to the cities in that county that provide public safety services, as follows:

(1) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of the revenue shifted from that city to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993–94 fiscal year, and the denominator of which shall be the amount of revenue shifted from all cities in the county to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993–94 fiscal year.

(2) The auditor shall multiply 5 percent of the amount in the augmentation fund established pursuant to this section by the allocation factor determined for each city in paragraph (1). The amount so computed for each city shall be allocated to that city.

(3) This subdivision applies only to the Counties of Fresno, Kings, Merced, San Bernardino, San Joaquin, Solano, and Yolo.

(4) This subdivision shall apply to a particular county described in paragraph (3) only if the total amount allocated under this paragraph to all of the cities therein that provide public safety services is less than the amount that would otherwise be allocated to all of those cities pursuant to subdivision (a).

(c) Notwithstanding subdivision (a), the amount in the augmentation fund established pursuant to this section for the County of Alameda shall be allocated to the cities in the County of Alameda that provide public safety services as follows:

(1) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of the revenue shifted from that city to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993–94 fiscal year, and the denominator of which shall be the amount of revenue shifted from all cities in the County of Alameda to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993–94 fiscal year.

(2) The auditor shall multiply 6.1 percent of the amount in the augmentation fund established pursuant to this section by the allocation factor determined for each city in paragraph (1). The amount so computed for each city shall be allocated to that city.

(d) Notwithstanding subdivision (a), for the 1997–98 fiscal year and each fiscal year thereafter, the auditor in the County of San Diego shall allocate to each eligible city in the county that provides

public safety services, from the county's Public Safety Augmentation Fund created pursuant to paragraph (1), an amount obtained by multiplying the amount in the Public Safety Augmentation Fund by the allocation factor listed below for each city:

Carlsbad	0.3582694
Chula Vista	0.3126700
Coronado	0.1205707
Del Mar	0.0266781
El Cajon	0.1479797
Escondido	0.2874369
Imperial Beach	0.0543447
La Mesa	0.1035164
Lemon Grove	0.0151415
National City	0.0569347
Oceanside	0.6955004
San Diego	3.1831131
San Marcos	0.0585130
Vista	0.2269571

(e) All moneys in the Public Safety Augmentation Fund not allocated to any city within the county pursuant to subdivision (a), (b), (c), or (d) shall be allocated to the county.

(f) The amendments made to subdivision (a) by the act adding this subdivision shall be applicable for the 1997–98 fiscal year and each fiscal year thereafter.

SEC. 1.5. Section 30055 of the Government Code is amended to read:

30055. For the 1996–97 fiscal year and each fiscal year thereafter, each county shall establish a Public Safety Augmentation Fund in the county treasury to receive those revenues allocated to the county pursuant to Sections 30052 and 30053. Amounts deposited in this fund shall be expended exclusively to fund public safety services, and for that purpose shall be allocated among the county and the cities in the county that provide public safety services, as follows:

(a) In allocating revenues from the Public Safety Augmentation Fund to cities, the auditor shall, except as otherwise provided in subdivision (b), (c), (d), or (e), comply with all of the following:

(1) For the 1997–98 fiscal year and each fiscal year thereafter, the auditor shall allocate to each city from the county's Public Safety Augmentation Fund the same percentage of the total amount of moneys deposited in that fund that was allocated to that city for the 1995–96 fiscal year.

(2) (A) In accordance with the payment schedule set forth in subparagraph (B), the auditor shall, commencing with September 1997, allocate to each city that city's reconciliation amount if, and only if, the reconciliation amount is a positive number. For purposes of this subparagraph, a city's reconciliation amount means the difference between the following amounts:

(i) The amount that would have been allocated to that city from the county's Public Safety Augmentation Fund for the 1996–97 fiscal year, if moneys had been so allocated to that city using the same percentage of the total amount of money deposited in that fund that was allocated to that city for the 1995–96 fiscal year.

(ii) The amount that was in fact allocated from the county's Public Safety Augmentation Fund to that city for the 1996–97 fiscal year.

(B) The auditor shall allocate each city's reconciliation amount to that city in 36 equal and consecutive monthly installments, commencing on September 1, 1997. Each of these installments shall be paid at the same time as the regular monthly allocation made to that city pursuant to this section, and no interest shall be paid on any of these installments. However, if directed by the board of supervisors, the county auditor may expedite payment of the installments.

(b) Notwithstanding subdivision (a), the amount in the augmentation fund established pursuant to this section in each county described in paragraph (3) shall be allocated to the cities in that county that provide public safety services, as follows:

(1) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of the revenue shifted from that city to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993–94 fiscal year, and the denominator of which shall be the amount of revenue shifted from all cities in the county to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993–94 fiscal year.

(2) The auditor shall multiply 5 percent of the amount in the augmentation fund established pursuant to this section by the allocation factor determined for each city in paragraph (1). The amount so computed for each city shall be allocated to that city.

(3) This subdivision applies only to the Counties of Fresno, Kings, Merced, San Bernardino, San Joaquin, Solano, and Yolo.

(4) This subdivision shall apply to a particular county described in paragraph (3) only if the total amount allocated under this paragraph to all of the cities therein that provide public safety services is less than the amount that would otherwise be allocated to all of those cities pursuant to subdivision (a).

(c) Notwithstanding subdivision (a), the amount in the augmentation fund established pursuant to this section for the

County of Alameda shall be allocated to the cities in the County of Alameda that provide public safety services as follows:

(1) The auditor shall determine an allocation factor for each city within the county, the numerator of which shall be the amount of the revenue shifted from that city to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993–94 fiscal year, and the denominator of which shall be the amount of revenue shifted from all cities in the County of Alameda to the Educational Revenue Augmentation Fund pursuant to Section 97.3 of the Revenue and Taxation Code for the 1993–94 fiscal year.

(2) The auditor shall multiply 6.1 percent of the amount in the augmentation fund established pursuant to this section by the allocation factor determined for each city in paragraph (1). The amount so computed for each city shall be allocated to that city.

(d) Notwithstanding subdivision (a), for the 1997–98 fiscal year and each fiscal year thereafter, the auditor in the County of San Diego shall allocate to each eligible city in the county that provides public safety services, from the county's Public Safety Augmentation Fund created pursuant to paragraph (1), an amount obtained by multiplying the amount in the Public Safety Augmentation Fund by the allocation factor listed below for each city:

Carlsbad	0.3582694
Chula Vista	0.3126700
Coronado	0.1205707
Del Mar	0.0266781
El Cajon	0.1479797
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La Mesa	0.1035164
Lemon Grove	0.0151415
National City	0.0569347
Oceanside	0.6955004
San Diego	3.1831131
San Marcos	0.0585130
Vista	0.2269571

(e) Notwithstanding subdivision (a), the amount in the Public Safety Augmentation Fund established pursuant to this section for the County of Los Angeles shall be allocated to each eligible city in the county that provides public safety services as follows:

(1) For the 1997–98 and each fiscal year thereafter, the auditor shall allocate to eligible cities within the county the same percentage

share of the augmentation fund that each eligible city received from amounts deposited into the augmentation fund for the 1995–96 fiscal year.

(2) For the 1996–97 fiscal year, the auditor shall allocate to eligible cities within the county the amount that would have been allocated to each of those cities had subdivision (a), as it read on January 1, 1997, been applied to amounts deposited into the augmentation fund for the 1995–96 fiscal year.

(3) Any amount calculated for a city pursuant to paragraph (2) that differs from the amount allocated to a city in the 1995–96 fiscal year shall be known as the ''reconciliation amount.''

(4) Any positive reconciliation amount calculated for a city pursuant to paragraph (3) shall be allocated to the appropriate city according to the following schedule:

(A) For the 1996–97 fiscal year, 50 percent of the reconciliation amount shall be paid within 31 days of the effective date of the act adding this subdivision.

(B) For the 1997–98 fiscal year, 25 percent of the reconciliation amount shall be paid, on a monthly basis, in 12 equal installments, with the first payment due July 20, 1997. However, any installment that is due prior to the effective date of the act adding this subdivision is due within 31 days of the effective date of the act adding this subdivision if that effective date is after July 20, 1997.

(C) For the 1998–99 fiscal year, 25 percent of the reconciliation amount shall be paid in full by September 30, 1998.

(5) The amount due a city in the fiscal year identified in paragraph (4) shall be offset by the positive growth calculated as follows:

(A) For the 1996–97 fiscal year, positive growth is the difference between a city's share of funds allocated in the 1995–96 fiscal year and the amount calculated as if paragraph (1) had been in effect for the 1996–97 fiscal year. If positive growth for the 1996–97 fiscal year cannot be calculated at the time the allocation is made to a city pursuant to subparagraph (A) of paragraph (4), the positive growth for the 1996–97 fiscal year will be treated as an additional offset against payments to that city required pursuant to subparagraph (B) of paragraph (4).

(B) For the 1997–98 fiscal year, positive growth is the difference between a city's share of funds that would have been allocated in the 1996–97 fiscal year, had the allocation requirement of paragraph (1) been in effect for the 1996–97 fiscal year, and the amount calculated pursuant to paragraph (1) for the 1997–98 fiscal year.

(C) For the 1998–99 fiscal year, positive growth is the difference between a city's share of funds allocated in the 1997–98 fiscal year, excluding the reconciliation amount for that year, and the amount calculated pursuant to paragraph (1) for the 1998–99 fiscal year.

(6) Reconciliation amounts due in the 1998–99 fiscal year that are paid later than September 30, 1998, shall be subject to interest at the rate of 7 percent calculated from July 1, 1997.

(f) All moneys in the Public Safety Augmentation Fund not allocated to any city within the county pursuant to subdivision (a), (b), (c), (d), or (e) shall be allocated to the county.

(g) The amendments made to subdivision (a) by the act adding this subdivision shall be applicable for the 1997–98 fiscal year and each fiscal year thereafter.

SEC. 2. Notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code. If the statewide cost of the claim for reimbursement does not exceed one million dollars ($1,000,000), reimbursement shall be made from the State Mandates Claims Fund.

Notwithstanding Section 17580 of the Government Code, unless otherwise specified, the provisions of this act shall become operative on the same date that the act takes effect pursuant to the California Constitution.

SEC. 3. Section 1.5 of this bill incorporates amendments to Section 30055 of the Government Code proposed by both this bill and AB 334. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 1998, (2) each bill amends Section 30055 of the Government Code, and (3) this bill is enacted after AB 334, in which case Section 30055 of the Government Code, as amended by AB 334, shall remain operative only until the operative date of this bill, at which time Section 1.5 of this bill shall become operative, and Section 1 of this bill shall not become operative.

SEC. 4. This act shall become operative only if Assembly Bill 334 is enacted and becomes effective on or before January 1, 1998.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to timely correct an unintended reduction, documented by specific calculations, to that portion of public safety revenues that is allocated in each county in each fiscal year to cities that provide essential public safety services, and to ensure that cities that provide these services receive their full and fair share of public safety revenues, it is necessary that this act take effect immediately.

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