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AMENDED IN SENATE JULY 27, 1998

AMENDED IN SENATE JUNE 15, 1998

AMENDED IN SENATE JUNE 11, 1998

AMENDED IN ASSEMBLY MARCH 19, 1998

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 1712

**Introduced by Assembly Members Cunneen, Honda,
Alquist, Figueroa, Frusetta, and Lempert**
(Coauthors: Senators McPherson and Sher)

January 28, 1998

An act to ~~amend Section 97.2 of, and to add Sections 96.28 and 97.39 to,~~ the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 1712, as amended, Cunneen. Local government finance: property tax revenue allocations: ~~fire districts and~~ Counties of Santa Clara and San Joaquin.

Existing property tax law provides for the annual apportionment of property tax revenues in each county in accordance with property tax revenue apportionment factors that are determined for each recipient jurisdiction in accordance with a specified formula.

This bill would deem to be correct those property tax apportionment factors that were applied in allocating ad



valorem property tax revenues to the County Free Library of the County of San Joaquin for the 1992–93 fiscal year. This bill would, however, for the 1998–99 fiscal year and each fiscal year thereafter, require ad valorem property tax revenues to be allocated to that library on the basis of property tax apportionment factors for prior fiscal years that have been corrected or adjusted as would be required if those apportionment factors had not been deemed correct by this bill.

This bill would state the intent of the Legislature not to validate in the future any other mistakes in the County of San Joaquin in the allocation of property tax revenues, except under specified circumstances.

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. Existing property tax law also reduces the amounts of ad valorem property tax revenue that would otherwise be annually allocated to the county, cities, and special districts pursuant to these general allocation requirements by requiring, for purposes of determining property tax revenue allocations in each county for the 1992–93 fiscal year, 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. It also limits the initial reduction amount that may be so calculated and transferred with respect to a special district to no more than 40% of that district's property tax revenues or 10% of that district's total annual revenues. For purposes of applying these limits with respect to a special district, including a fire department, that provides fire



protection or fire suppression services in a county that contracts with the state to protect state responsibility areas, existing law specifies that the district's total annual revenues do not include the total amount of all funds that are appropriated to that district pursuant to certain statutory provisions.

~~This bill would clarify that this exclusion applies to a special district, regardless of whether the county contracts with the state for the protection of state responsibility areas, and would specify that this exclusion, as amended by a specified legislative act, should not be construed to affect applications of the exclusion as it existed prior to those amendments.~~

This bill would deem to be correct those required transfers to the Education Revenue Augmentation Fund of the County of Santa Clara by specified fire districts in that county for each fiscal year through the 1996-97 fiscal year. This bill would, however, require property tax apportionment factors applied in allocating property tax revenue to these districts for the 1997-98 fiscal year, and each fiscal year thereafter, to be determined on the basis of apportionment factors for prior fiscal years that have been corrected or adjusted as would be required if those prior apportionment factors had not been deemed correct by this bill.

This bill would state the intent of the Legislature not to validate in the future any other mistakes in the County of Santa Clara in the allocation of property tax revenues, other than AB 1945 of the 1997-98 Regular Session, except under specified circumstances.

This bill would make legislative findings and declarations as to the necessity for special statutes.

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

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

1 SECTION 1. Section 96.28 is added to the Revenue
2 and Taxation Code, to read:
3 96.28. (a) Notwithstanding any other provision of
4 law, the property tax apportionment factors applied in
5 allocating property tax revenues in the County of San



1 Joaquin for the County Free Library of the County of San
 2 Joaquin for the 1992-93 fiscal year shall be deemed
 3 correct. However, for the 1998-99 fiscal year and each
 4 fiscal year thereafter, ad valorem property tax revenue
 5 shall be apportioned on the basis of apportionment
 6 factors for prior fiscal years that have been corrected or
 7 adjusted as would be required in the absence of the
 8 preceding sentence.

9 (b) It is the intent of the Legislature not to validate in
 10 the future any other mistake in the County of San Joaquin
 11 in the allocation of property tax revenue, unless the
 12 mistake is the result of written advice from the
 13 Department of Finance or the Controller with respect to
 14 the particular allocation.

15 ~~SEC. 2. Section 97.2 of the Revenue and Taxation~~
 16 ~~Code, as amended by Chapter 89 of the Statutes of 1998,~~
 17 ~~is amended to read:~~

18 ~~97.2. Notwithstanding any other provision of this~~
 19 ~~chapter, the computations and allocations made by each~~
 20 ~~county pursuant to Section 96.1 or its predecessor section~~
 21 ~~shall be modified for the 1992-93 fiscal year pursuant to~~
 22 ~~subdivisions (a) to (d), inclusive, and for the 1997-98 and~~
 23 ~~1998-99 fiscal years pursuant to subdivision (e), as follows:~~

24 (a) (1) ~~Except as provided in paragraph (2), the~~
 25 ~~amount of property tax revenue deemed allocated in the~~
 26 ~~prior fiscal year to each county shall be reduced by the~~
 27 ~~dollar amounts indicated as follows, multiplied by .953649:~~

	Property Tax Reduction per County
28	
29	
30	
31	
32	\$ 27,323,576
33	5,169
34	286,131
35	846,452
36	507,526
37	186,438
38	12,504,318
39	46,523
40	1,544,590



1	— Fresno	5,387,570
2	— Glenn	378,055
3	— Humboldt	1,084,968
4	— Imperial	998,222
5	— Inyo	366,402
6	— Kern	6,907,282
7	— Kings	1,303,774
8	— Lake	998,222
9	— Lassen	93,045
10	— Los Angeles	244,178,806
11	— Madera	809,194
12	— Marin	3,902,258
13	— Mariposa	40,136
14	— Mendocino	1,004,112
15	— Merced	2,445,709
16	— Modoc	134,650
17	— Mono	319,793
18	— Monterey	2,519,507
19	— Napa	1,362,036
20	— Nevada	762,585
21	— Orange	9,900,654
22	— Placer	1,991,265
23	— Plumas	71,076
24	— Riverside	7,575,353
25	— Sacramento	15,323,634
26	— San Benito	198,090
27	— San Bernardino	14,467,099
28	— San Diego	17,687,776
29	— San Francisco	53,266,991
30	— San Joaquin	8,574,869
31	— San Luis Obispo	2,547,990
32	— San Mateo	7,979,302
33	— Santa Barbara	4,411,812
34	— Santa Clara	20,103,706
35	— Santa Cruz	1,416,413
36	— Shasta	1,096,468
37	— Sierra	97,103
38	— Siskiyou	467,390
39	— Solano	5,378,048



1	—Sonoma	5,455,911
2	—Stanislaus	2,242,129
3	—Sutter	831,204
4	—Tehama	450,559
5	—Trinity	50,399
6	—Tulare	4,228,525
7	—Tuolumne	740,574
8	—Ventura	9,412,547
9	—Yolo	1,860,499
10	—Yuba	842,857

11
12 ~~(2) Notwithstanding paragraph (1), the amount of the~~
13 ~~reduction specified in that paragraph for any county or~~
14 ~~city and county that has been materially and substantially~~
15 ~~impacted as a result of a federally declared disaster, as~~
16 ~~evidenced by at least 20 percent of the cities, or cities and~~
17 ~~unincorporated areas of the county representing 20~~
18 ~~percent of the population within the county suffering~~
19 ~~substantial damage, as certified by the Director of the~~
20 ~~Office of Emergency Services, occurring between~~
21 ~~October 1, 1989, and the effective date of this section, shall~~
22 ~~be reduced by that portion of five million dollars~~
23 ~~(\$5,000,000) determined for that county or city and~~
24 ~~county pursuant to subparagraph (B) of paragraph (3).~~

25 ~~(3) On or before October 1, 1992, the Director of~~
26 ~~Finance shall do all of the following:~~

27 ~~(A) Determine the population of each county and city~~
28 ~~and county in which a federally declared disaster has~~
29 ~~occurred between October 1, 1989, and the effective date~~
30 ~~of this section.~~

31 ~~(B) Determine for each county and city and county as~~
32 ~~described in subparagraph (A) its share of five million~~
33 ~~dollars (\$5,000,000) on the basis of that county's~~
34 ~~population relative to the total population of all counties~~
35 ~~described in subparagraph (A).~~

36 ~~(C) Notify each auditor of each county and city and~~
37 ~~county of the amounts determined pursuant to~~
38 ~~subparagraph (B).~~

39 ~~(b) (1) Except as provided in paragraph (2), the~~
40 ~~amount of property tax revenue deemed allocated in the~~



1 ~~prior fiscal year to each city, except for a newly~~
2 ~~incorporated city that did not receive property tax~~
3 ~~revenues in the 1991-92 fiscal year, shall be reduced by 9~~
4 ~~percent. In making the above computation with respect~~
5 ~~to cities in Alameda County, the computation for a city~~
6 ~~described in paragraph (6) of subdivision (a) of Section~~
7 ~~100.7, as added by Section 73.5 of Chapter 323 of the~~
8 ~~Statutes of 1983, shall be adjusted so that the amount~~
9 ~~multiplied by 9 percent is reduced by the amount~~
10 ~~determined for that city for "museums" pursuant to~~
11 ~~paragraph (2) of subdivision (h) of Section 95.~~

12 ~~(2) Notwithstanding paragraph (1), the amount of the~~
13 ~~reduction determined pursuant to that paragraph for any~~
14 ~~city that has been materially and substantially impacted~~
15 ~~as a result of a federally declared disaster, as certified by~~
16 ~~the Director of the Office of Emergency Services,~~
17 ~~occurring between October 1, 1989, and the effective~~
18 ~~date of this section, shall be reduced by that portion of~~
19 ~~fifteen million dollars (\$15,000,000) determined for that~~
20 ~~city pursuant to subparagraph (B) of paragraph (3).~~

21 ~~(3) On or before October 1, 1992, the Director of~~
22 ~~Finance shall do all of the following:~~

23 ~~(A) Determine the population of each city in which a~~
24 ~~federally declared disaster has occurred between~~
25 ~~October 1, 1989, and the effective date of this section.~~

26 ~~(B) Determine for each city as described in~~
27 ~~subparagraph (A) its share of fifteen million dollars~~
28 ~~(\$15,000,000) on the basis of that city's population relative~~
29 ~~to the total population of all cities described in~~
30 ~~subparagraph (A).~~

31 ~~(C) Notify each auditor of each county and city and~~
32 ~~county of the amounts determined pursuant to~~
33 ~~subparagraph (B).~~

34 ~~(4) In the 1992-93 fiscal year and each fiscal year~~
35 ~~thereafter, the auditor shall adjust the computations~~
36 ~~required pursuant to Article 4 (commencing with Section~~
37 ~~98) so that those computations do not result in the~~
38 ~~restoration of any reduction required pursuant to this~~
39 ~~section.~~



1 ~~(e) (1) Subject to paragraph (2), the amount of~~
2 ~~property tax revenue, other than those revenues that are~~
3 ~~pledged to debt service, deemed allocated in the prior~~
4 ~~fiscal year to a special district, other than a multicounty~~
5 ~~district, a local hospital district, or a district governed by~~
6 ~~a city council or whose governing board has the same~~
7 ~~membership as a city council, shall be reduced by 35~~
8 ~~percent. For purposes of this subdivision, “revenues that~~
9 ~~are pledged to debt service” include only those amounts~~
10 ~~required to pay debt service costs in the 1991-92 fiscal~~
11 ~~year on debt instruments issued by a special district for~~
12 ~~the acquisition of capital assets.~~

13 ~~(2) No reduction pursuant to paragraph (1) for any~~
14 ~~special district, other than a countywide water agency~~
15 ~~that does not sell water at retail, shall exceed an amount~~
16 ~~equal to 10 percent of that district’s total annual revenues,~~
17 ~~from whatever source, as shown in the 1989-90 edition of~~
18 ~~the State Controller’s Report on Financial Transactions~~
19 ~~Concerning Special Districts (not including any annual~~
20 ~~revenues from fiscal years following the 1989-90 fiscal~~
21 ~~year). With respect to any special district, as defined~~
22 ~~pursuant to subdivision (m) of Section 95, that is allocated~~
23 ~~property tax revenue pursuant to this chapter but does~~
24 ~~not appear in the State Controller’s Report on Financial~~
25 ~~Transactions Concerning Special Districts, the auditor~~
26 ~~shall determine the total annual revenues for that special~~
27 ~~district from the information in the 1989-90 edition of the~~
28 ~~State Controller’s Report on Financial Transactions~~
29 ~~Concerning Counties. With respect to a special district~~
30 ~~that did not exist in the 1989-90 fiscal year, the auditor~~
31 ~~may use information from the first full fiscal year, as~~
32 ~~appropriate, to determine the total annual revenues for~~
33 ~~that special district. No reduction pursuant to paragraph~~
34 ~~(1) for any countywide water agency that does not sell~~
35 ~~water at retail shall exceed an amount equal to 10 percent~~
36 ~~of that portion of that agency’s general fund derived from~~
37 ~~property tax revenues.~~

38 ~~(3) The auditor in each county shall, on or before~~
39 ~~January 15, 1993, and on or before January 30 of each year~~
40 ~~thereafter, submit information to the Controller~~



1 ~~concerning the amount of the property tax revenue~~
2 ~~reduction to each special district within that county as a~~
3 ~~result of paragraphs (1) and (2). The Controller shall~~
4 ~~certify that the calculation of the property tax revenue~~
5 ~~reduction to each special district within that county is~~
6 ~~accurate and correct, and submit this information to the~~
7 ~~Director of Finance.~~

8 ~~(A) The Director of Finance shall determine whether~~
9 ~~the total of the amounts of the property tax revenue~~
10 ~~reductions to special districts, as certified by the~~
11 ~~Controller, is equal to the amount that would be required~~
12 ~~to be allocated to school districts and community college~~
13 ~~districts as a result of a three hundred seventy five million~~
14 ~~dollar (\$375,000,000) shift of property tax revenues from~~
15 ~~special districts for the 1992-93 fiscal year. If, for any year,~~
16 ~~the total of the amount of the property tax revenue~~
17 ~~reductions to special districts is less than the amount as~~
18 ~~described in the preceding sentence, the amount of~~
19 ~~property tax revenue, other than those revenues that are~~
20 ~~pledged to debt service, deemed allocated in the prior~~
21 ~~fiscal year to a special district, other than a multicounty~~
22 ~~district, a local hospital district, or a district governed by~~
23 ~~a city council or whose governing board has the same~~
24 ~~membership as a city council, shall, subject to~~
25 ~~subparagraph (B), be reduced by an amount up to 5~~
26 ~~percent of the amount subject to reduction for that~~
27 ~~district pursuant to paragraphs (1) and (2).~~

28 ~~(B) No reduction pursuant to subparagraph (A), in~~
29 ~~conjunction with a reduction pursuant to paragraphs (1)~~
30 ~~and (2), for any special district, other than a countywide~~
31 ~~water agency that does not sell water at retail, shall~~
32 ~~exceed an amount equal to 10 percent of that district's~~
33 ~~total annual revenues, from whatever source, as shown in~~
34 ~~the most recent State Controller's Report on Financial~~
35 ~~Transactions Concerning Special Districts. No reduction~~
36 ~~pursuant to subparagraph (A), in conjunction with a~~
37 ~~reduction pursuant to paragraphs (1) and (2), for any~~
38 ~~countywide water agency that does not sell water at retail~~
39 ~~shall exceed an amount equal to 10 percent of that portion~~



1 of that agency's general fund derived from property tax
2 revenues.

3 (C) In no event shall the amount of the property tax
4 revenue loss to a special district derived pursuant to
5 subparagraphs (A) and (B) exceed 40 percent of that
6 district's property tax revenues or 10 percent of that
7 district's total revenues, from whatever source.

8 (4) For the purpose of determining the total annual
9 revenues of a special district that provides fire protection
10 or fire suppression services, all of the following shall be
11 excluded from the determination of total annual
12 revenues:

13 (A) If the district had less than two million dollars
14 (\$2,000,000) in total annual revenues in the 1991-92 fiscal
15 year, the revenue generated by a fire suppression
16 assessment levied pursuant to Article 3.6 (commencing
17 with Section 50078) of Chapter 1 of Part 1 of Division 1 of
18 Title 5 of the Government Code.

19 (B) The total amount of all funds, regardless of the
20 source, that are appropriated to a district, including a fire
21 department, by a board of supervisors pursuant to Section
22 25642 of the Government Code or Chapter 7
23 (commencing with Section 13890) of Part 2.7 of Division
24 12 of the Health and Safety Code for fire protection. The
25 amendment of this subparagraph by Chapter 290 of the
26 Statutes of 1997 shall not be construed to affect any
27 exclusion from the total annual revenues of a special
28 district that was made pursuant to this subparagraph as it
29 read prior to that amendment.

30 (C) The revenue received by a district as a result of
31 contracts entered into pursuant to Section 4133 of the
32 Public Resources Code.

33 (5) For the purpose of determining the total annual
34 revenues of a resource conservation district, all of the
35 following shall be excluded from the determination of
36 total annual revenues:

37 (A) Any revenues received by that district from the
38 state for financing the acquisition of land, or the
39 construction or improvement of state projects, and for
40 which that district serves as the fiscal agent in



1 ~~administering those state funds pursuant to an agreement~~
2 ~~entered into between that district and a state agency.~~

3 ~~(B) Any amount received by that district as a private~~
4 ~~gift or donation.~~

5 ~~(C) Any amount received as a county grant or contract~~
6 ~~as supplemental to, or independent of, that district's~~
7 ~~property tax share.~~

8 ~~(D) Any amount received by that district as a federal~~
9 ~~or state grant.~~

10 ~~(d) (1) The amount of property tax revenues not~~
11 ~~allocated to the county, cities within the county, and~~
12 ~~special districts as a result of the reductions calculated~~
13 ~~pursuant to subdivisions (a), (b), and (c) shall instead be~~
14 ~~deposited in the Educational Revenue Augmentation~~
15 ~~Fund to be established in each county. The amount of~~
16 ~~revenue in the Educational Revenue Augmentation~~
17 ~~Fund, derived from whatever source, shall be allocated~~
18 ~~pursuant to paragraphs (2) and (3) to school districts and~~
19 ~~county offices of education, in total, and to community~~
20 ~~college districts, in total, in the same proportion that~~
21 ~~property tax revenues were distributed to school districts~~
22 ~~and county offices of education, in total, and community~~
23 ~~college districts, in total, during the 1991-92 fiscal year.~~

24 ~~(2) The auditor shall, based on information provided~~
25 ~~by the county superintendent of schools pursuant to this~~
26 ~~paragraph, allocate the proportion of the Educational~~
27 ~~Revenue Augmentation Fund to those school districts~~
28 ~~and county offices of education within the county that are~~
29 ~~not excess tax school entities, as defined in subdivision (n)~~
30 ~~of Section 95. The county superintendent of schools shall~~
31 ~~determine the amount to be allocated to each school~~
32 ~~district and county office of education in inverse~~
33 ~~proportion to the amounts of property tax revenue per~~
34 ~~average daily attendance in each school district and~~
35 ~~county office of education. In no event shall any~~
36 ~~additional money be allocated from the fund to a school~~
37 ~~district or county office of education upon that school~~
38 ~~district or county office of education becoming an excess~~
39 ~~tax school entity.~~



1 ~~(3) The auditor shall, based on information provided~~
2 ~~by the Chancellor of the California Community Colleges~~
3 ~~pursuant to this paragraph, allocate the proportion of the~~
4 ~~Educational Revenue Augmentation Fund to those~~
5 ~~community college districts within the county that are~~
6 ~~not excess tax school entities, as defined in subdivision (n)~~
7 ~~of Section 95. The chancellor shall determine the amount~~
8 ~~to be allocated to each community college district in~~
9 ~~inverse proportion to the amounts of property tax~~
10 ~~revenue per funded full-time equivalent student in each~~
11 ~~community college district. In no event shall any~~
12 ~~additional money be allocated from the fund to a~~
13 ~~community college district upon that district becoming~~
14 ~~an excess tax school entity.~~

15 ~~(4) (A) If, after making the allocation required~~
16 ~~pursuant to paragraph (2), the auditor determines that~~
17 ~~there are still additional funds to be allocated, the auditor~~
18 ~~shall allocate those excess funds pursuant to paragraph~~
19 ~~(3). If, after making the allocation pursuant to paragraph~~
20 ~~(3), the auditor determines that there are still additional~~
21 ~~funds to be allocated, the auditor shall allocate those~~
22 ~~excess funds pursuant to paragraph (2).~~

23 ~~(B) (i) For the 1995-96 fiscal year and each fiscal year~~
24 ~~thereafter, if, after making the allocations pursuant to~~
25 ~~paragraphs (2) and (3) and subparagraph (A), the~~
26 ~~auditor determines that there are still additional funds to~~
27 ~~be allocated, the auditor shall, subject to clauses (ii) and~~
28 ~~(iii), allocate those excess funds to the county~~
29 ~~superintendent of schools. Funds allocated pursuant to~~
30 ~~this subparagraph shall be counted as property tax~~
31 ~~revenues for special education programs in~~
32 ~~augmentation of the amount calculated pursuant to~~
33 ~~Section 2572 of the Education Code, to the extent that~~
34 ~~those property tax revenues offset state aid for county~~
35 ~~offices of education and school districts within the county~~
36 ~~pursuant to subdivision (c) of Section 56836.08 of the~~
37 ~~Education Code.~~

38 ~~(ii) For the 1995-96 fiscal year only, this subparagraph~~
39 ~~shall have no application to the County of Mono and the~~
40 ~~amount allocated pursuant to this subparagraph in the~~



1 County of Marin shall not exceed five million dollars
2 (\$5,000,000).

3 (iii) For the 1996-97 fiscal year only, the total amount
4 of funds allocated by the auditor pursuant to this
5 subparagraph and subparagraph (B) of paragraph (4) of
6 subdivision (d) of Section 97.3 shall not exceed that
7 portion of two million five hundred thousand dollars
8 (\$2,500,000) that corresponds to the county's
9 proportionate share of all moneys allocated pursuant to
10 this subparagraph and subparagraph (B) of paragraph
11 (4) of subdivision (d) of Section 97.3 for the 1995-96 fiscal
12 year. Upon the request of the auditor, the Department of
13 Finance shall provide to the auditor all information in the
14 department's possession that is necessary for the auditor
15 to comply with this clause.

16 (C) For purposes of allocating the Educational
17 Revenue Augmentation Fund for the 1996-97 fiscal year,
18 the auditor shall, after making the allocations for special
19 education programs, if any, required by subparagraph
20 (B), allocate all remaining funds among the county,
21 cities, and special districts in proportion to the amounts
22 of ad valorem property tax revenue otherwise required
23 to be shifted from those local agencies to the county's
24 Educational Revenue Augmentation Fund for the
25 relevant fiscal year. For purposes of ad valorem property
26 tax revenue allocations for the 1997-98 fiscal year and
27 each fiscal year thereafter, no amount of ad valorem
28 property tax revenue allocated to the county, a city, or a
29 special district pursuant to this subparagraph shall be
30 deemed to be an amount of ad valorem property tax
31 revenue allocated to that local agency in the prior fiscal
32 year.

33 (5) For purposes of allocations made pursuant to
34 Section 96.1 or its predecessor section for the 1993-94
35 fiscal year, the amounts allocated from the Educational
36 Revenue Augmentation Fund pursuant to this
37 subdivision, other than amounts deposited in the
38 Educational Revenue Augmentation Fund pursuant to
39 Section 33681 of the Health and Safety Code, shall be
40 deemed property tax revenue allocated to the



1 ~~Educational Revenue Augmentation Fund in the prior~~
2 ~~fiscal year.~~

3 ~~(e) (1) For the 1997-98 fiscal year:~~

4 ~~(A) The amount of property tax revenue deemed~~
5 ~~allocated in the prior fiscal year to any city subject to the~~
6 ~~reduction specified in paragraph (2) of subdivision (b)~~
7 ~~shall be reduced by an amount that is equal to the~~
8 ~~difference between the amount determined for the city~~
9 ~~pursuant to paragraph (1) of subdivision (b) and the~~
10 ~~amount of the reduction determined for the city pursuant~~
11 ~~to paragraph (2) of subdivision (b).~~

12 ~~(B) The amount of property tax revenue deemed~~
13 ~~allocated in the prior fiscal year to any county or city and~~
14 ~~county subject to the reduction specified in paragraph~~
15 ~~(2) of subdivision (a) shall be reduced by an amount that~~
16 ~~is equal to the difference between the amount specified~~
17 ~~for the county or city and county pursuant to paragraph~~
18 ~~(1) of subdivision (a) and the amount of the reduction~~
19 ~~determined for the county or city and county pursuant to~~
20 ~~paragraph (2) of subdivision (a).~~

21 ~~(2) The amount of property tax revenues not allocated~~
22 ~~to a city or city and county as a result of this subdivision~~
23 ~~shall be deposited in the Educational Revenue~~
24 ~~Augmentation Fund described in subparagraph (A) of~~
25 ~~paragraph (1) of subdivision (d).~~

26 ~~(3) For purposes of allocations made pursuant to~~
27 ~~Section 96.1 for the 1998-99 fiscal year, the amounts~~
28 ~~allocated from the Educational Revenue Augmentation~~
29 ~~Fund pursuant to this subdivision shall be deemed~~
30 ~~property tax revenues allocated to the Educational~~
31 ~~Revenue Augmentation Fund in the prior fiscal year.~~

32 ~~(f) It is the intent of the Legislature in enacting this~~
33 ~~section that this section supersede and be operative in~~
34 ~~place of Section 97.03 of the Revenue and Taxation Code,~~
35 ~~as added by Senate Bill 617 of the 1991-92 Regular Session.~~

36 ~~SEC. 3.—~~

37 ~~SEC. 2. Section 97.39 is added to the Revenue and~~
38 ~~Taxation Code, to read:~~

39 ~~97.39. (a) Notwithstanding any other provision of~~
40 ~~law, the amount of each allocation that was made to the~~



1 Educational Revenue Augmentation Fund of the County
2 of Santa Clara in any fiscal year, up to and including the
3 1996–97 fiscal year, as the result of a reduction amount
4 calculated pursuant to Section 97.2 or 97.3 for the Los
5 Altos County Fire Protection District, the Santa Clara
6 County Central Fire Protection District, the Saratoga
7 Fire Protection District, or the South Santa Clara County
8 Fire District, shall be deemed correct.

9 (b) No reduction or correction may be made, in
10 response to a calculation error, to an allocation that was
11 made to the Educational Revenue Augmentation Fund of
12 the County of Santa Clara in any fiscal year, up to and
13 including the 1996–97 fiscal year, as the result of a
14 reduction amount calculated pursuant to Section 97.2 or
15 97.3 for a County of Santa Clara fire district listed in
16 subdivision (a). However, in the 1997–98 fiscal year and
17 each fiscal year thereafter, each allocation that is made to
18 the Educational Revenue Augmentation Fund of the
19 County of Santa Clara as the result of a reduction amount
20 calculated pursuant to Section 97.2 or 97.3 for a County of
21 Santa Clara fire district listed in subdivision (a) shall be
22 made in that amount that fully reflects any reduction or
23 correction that would be required to be made to a
24 corresponding allocation in a prior fiscal year in the
25 absence of this section.

26 (c) It is the intent of the Legislature not to validate in
27 the future any other mistake in the County of Santa Clara
28 in the allocation of property tax revenue, except for the
29 validation contained in Assembly Bill 1945 of the 1997–98
30 Regular Session, unless the mistake is the result of written
31 advice from the Department of Finance or the Controller
32 with respect to the particular allocation.

33 ~~SEC. 5.—~~

34 *SEC. 3.* The Legislature finds and declares that a
35 special law is necessary and that a general law cannot be
36 made applicable within the meaning of Section 16 of
37 Article IV of the California Constitution because of the
38 uniquely severe, damaging, and retroactive fiscal
39 difficulties that would be suffered by the County Free



1 Library of the County of San Joaquin if this act does not
2 take effect.

3 ~~SEC. 6.~~

4 *SEC. 4.* The Legislature finds and declares that a
5 special law is necessary and that a general law cannot be
6 made applicable within the meaning of Section 16 of
7 Article IV of the California Constitution because of the
8 uniquely severe and retroactive fiscal difficulties and
9 disruptions that will be suffered by the Los Altos County
10 Fire Protection District, the Santa Clara County Central
11 Fire Protection District, the Saratoga Fire Protection
12 District, and the South Santa Clara County Fire District
13 if this act does not become operative.

