

Introduced by Committee on Local Government (Senators Rainey (Chair), Baca, Johannessen, Monteith, Perata, Polanco, and Schiff

February 1, 1999

An act to amend Sections 27063 and 30063 of the Government Code, and to amend Section 99 of the Revenue and Taxation Code, relating to local agencies.

LEGISLATIVE COUNSEL'S DIGEST

SB 275, as introduced, Committee on Local Government. Local Government Omnibus Act of 1999.

(1) Existing law requires the county treasurer to file with the county board of supervisors a monthly report of funds received and disbursed.

This bill would authorize a county auditor to file those reports if the county treasurer and county auditor have a written agreement.

(2) Existing law requires the county auditor and the city treasurer to file a written report on or before September 1 each year with the Supplemental Law Enforcement Oversight Committee and the local governing body detailing and summarizing allocations from the county's or city's Supplemental Law Enforcement Services Fund, as applicable for the entire preceding year. Existing law requires local officials to hold a public hearing in September in each year that the legislature appropriates money to the fund for the purpose of considering requests for money from the fund.

This bill instead would require the report to be filed on or before the date of the public hearing.



(3) Existing law generally requires those agencies affected by a proposed jurisdictional change to negotiate, in accordance with specified procedures, an exchange of property tax revenues to reflect the changes in service area obligations that will result from the jurisdictional change. The process of negotiation, mediation, and arbitration concludes no more than 150 days after the initiation of proceedings for the jurisdictional change before the local agency formation commission.

This bill instead would require negotiation, mediation, and arbitration to be concluded no more than 150 days after the auditor provides specified property tax information to the local agencies.

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. (a) This act shall be known and may be
2 cited as the Local Government Omnibus Act of 1999.

3 (b) The Legislature finds and declares that
4 Californians desire their government to be run efficiently
5 and economically, and that public officials should avoid
6 waste and duplication whenever possible. The
7 Legislature further finds and declares that it desires to
8 control its own operating costs by reducing the number
9 of separate bills. Therefore, it is the intent of the
10 Legislature in enacting this act to combine several minor,
11 noncontroversial statutory changes relating to public
12 agencies into a single measure.

13 SEC. 2. Section 27063 of the Government Code is
14 amended to read:

15 27063. Not later than the 25th day of each month, the
16 treasurer; *or, if the auditor has a written agreement with*
17 *the treasurer, the auditor,* shall file with the board of
18 supervisors a detailed report of all money received and
19 disbursed by him *or her* during the preceding report
20 period which shall be no less frequent than monthly, so
21 that the receipts into the treasury and the amounts of
22 disbursements for the period will distinctly appear. The



1 report shall be filed and preserved by the clerk of the
2 board.

3 SEC. 3. Section 30063 of the Government Code is
4 amended to read:

5 30063. (a) The Supplemental Law Enforcement
6 Services Fund (SLESF) in each county or city is to be
7 expended exclusively as required by this chapter. Moneys
8 in that fund shall not be transferred to, or intermingled
9 with, the moneys in any other fund in the county or city
10 treasury, except that moneys may be transferred from the
11 SLESF to the county's or city's general fund to the extent
12 necessary to facilitate the appropriation and expenditure
13 of those transferred moneys in the manner required by
14 this chapter.

15 (b) Moneys in a SLESF may only be invested in safe
16 and conservative investments in accordance with those
17 standards of prudent investment applicable to the
18 investment of trust moneys. The treasurer of the county
19 and each city shall provide a monthly SLESF investment
20 report to either the police chief or the county sheriff and
21 district attorney, as applicable.

22 (c) ~~On or before September 1, 1998, and each year~~
23 ~~thereafter~~ *Each year, on or before the date of the public*
24 *hearing required pursuant to paragraph (1) of*
25 *subdivision (c) of Section 30061, the county auditor and*
26 *city treasurer shall annually detail and summarize*
27 *allocations from the county's or city's SLESF, as*
28 *applicable, in a written, public report filed with the*
29 *Supplemental Law Enforcement Oversight Committee*
30 *(SLEOC), the county board of supervisors or city council,*
31 *as applicable, for the entirety of the immediately*
32 *preceding fiscal year, and the county sheriff or police*
33 *chief, as applicable.*

34 (d) A summary of the annual reports required in
35 subdivision (c) shall be submitted in a standardized
36 format to be developed by the Controller, in conjunction
37 with the California District Attorney's Association,
38 California Police Chief's Association, California State
39 Sheriff's Association, California Peace Officer's
40 Association, California County Auditor's Association, and



1 California Municipal Treasurer's Association, by each
2 SLEOC to the Controller on or before October 15, 1998,
3 and each year thereafter. Upon request, the Controller
4 shall make a copy of the summarized reports available to
5 the Governor and the Legislature.

6 SEC. 4. Section 99 of the Revenue and Taxation Code
7 is amended to read:

8 99. (a) For the purposes of the computations
9 required by this chapter:

10 (1) In the case of a jurisdictional change, other than a
11 city incorporation or a formation of a district as defined
12 in Section 2215, the auditor shall adjust the allocation of
13 property tax revenue determined pursuant to Section 96
14 or 96.1, or the annual tax increment determined pursuant
15 to Section 96.5, for local agencies whose service area or
16 service responsibility would be altered by the
17 jurisdictional change, as determined pursuant to
18 subdivision (b) or (c).

19 (2) In the case of a city incorporation, the auditor shall
20 assign the allocation of property tax revenues determined
21 pursuant to Section 56842 of the Government Code and
22 the adjustments in tax revenues that may occur pursuant
23 to Section 56845 of the Government Code to the newly
24 formed city or district and shall make the adjustment as
25 determined by Section 56842 in the allocation of property
26 tax revenue determined pursuant to Section 96 or 96.1 for
27 each local agency whose service area or service
28 responsibilities would be altered by the incorporation.

29 (3) In the case of a formation of a district as defined in
30 Section 2215, the auditor shall assign the allocation of
31 property tax revenues determined pursuant to Section
32 56842 of the Government Code to the district and shall
33 make the adjustment as determined by Section 56842 in
34 the allocation of property tax revenue determined
35 pursuant to Section 96 or 96.1 for each local agency whose
36 service area or service responsibilities would be altered
37 by the formation.

38 (b) Upon the filing of an application or a resolution
39 pursuant to the Cortese-Knox Local Government
40 Reorganization Act of 1985 (Division 3 (commencing



1 with Section 56000) of Title 5 of the Government Code),
2 but prior to the issuance of a certificate of filing, the
3 executive officer shall give notice of the filing to the
4 assessor and auditor of each county within which the
5 territory subject to the jurisdictional change is located.
6 This notice shall specify each local agency whose service
7 area or responsibility will be altered by the jurisdictional
8 change.

9 (1) (A) The county assessor shall provide to the
10 county auditor, within 30 days of the notice of filing, a
11 report which identifies the assessed valuations for the
12 territory subject to the jurisdictional change and the tax
13 rate area or areas in which the territory exists.

14 (B) The auditor shall estimate the amount of property
15 tax revenue generated within the territory that is the
16 subject of the jurisdictional change during the current
17 fiscal year.

18 (2) The auditor shall estimate what proportion of the
19 property tax revenue determined pursuant to paragraph
20 (1) is attributable to each local agency pursuant to
21 Section 96.1 and Section 96.5.

22 (3) Within 45 days of notice of the filing of an
23 application or resolution, the auditor shall notify the
24 governing body of each local agency whose service area
25 or service responsibility will be altered by the amount of,
26 and allocation factors with respect to, property tax
27 revenue estimated pursuant to paragraph (2) that is
28 subject to a negotiated exchange.

29 (4) Upon receipt of the estimates pursuant to
30 paragraph (3) the local agencies shall commence
31 negotiations to determine the amount of property tax
32 revenues to be exchanged between and among the local
33 agencies. This negotiation period shall not exceed 60 days.

34 The exchange may be limited to an exchange of
35 property tax revenues from the annual tax increment
36 generated in the area subject to the jurisdictional change
37 and attributable to the local agencies whose service area
38 or service responsibilities will be altered by the proposed
39 jurisdictional change. The final exchange resolution shall



1 specify how the annual tax increment shall be allocated
2 in future years.

3 (5) In the event that a jurisdictional change would
4 affect the service area or service responsibility of one or
5 more special districts, the board of supervisors of the
6 county or counties in which the districts are located shall,
7 on behalf of the district or districts, negotiate any
8 exchange of property tax revenues.

9 (6) Notwithstanding any other provision of law, the
10 executive officer shall not issue a certificate of filing
11 pursuant to Section 56828 of the Government Code until
12 the local agencies included in the property tax revenue
13 exchange negotiation, within the 60-day negotiation
14 period, present resolutions adopted by each such county
15 and city whereby each county and city agrees to accept
16 the exchange of property tax revenues.

17 (7) In the event that the commission modifies the
18 proposal or its resolution of determination, any local
19 agency whose service area or service responsibility would
20 be altered by the proposed jurisdictional change may
21 request, and the executive officer shall grant, 15 days for
22 the affected agencies, pursuant to paragraph (4) to
23 renegotiate an exchange of property tax revenues.
24 Notwithstanding the time period specified in paragraph
25 (4), if the resolutions required pursuant to paragraph (6)
26 are not presented to the executive officer within the
27 15-day period, all proceedings of the jurisdictional change
28 shall automatically be terminated.

29 (8) In the case of a jurisdictional change that consists
30 of a city's qualified annexation of unincorporated
31 territory, an exchange of property tax revenues between
32 the city and the county shall be determined in
33 accordance with subdivision (e) if that exchange of
34 revenues is not otherwise determined pursuant to either
35 of the following:

36 (A) Negotiations completed within the applicable
37 period or periods as prescribed by this subdivision.

38 (B) A master property tax exchange agreement
39 among those local agencies, as described in subdivision
40 (d).



1 For purposes of this paragraph, a qualified annexation
2 of unincorporated territory means an annexation, as so
3 described, for which proceedings before the relevant
4 local agency formation commission are initiated, as
5 provided in Section 56651 of the Government Code, on or
6 after January 1, 1998, and on or before January 1, 2005.

7 (9) No later than the date on which the certificate of
8 completion of the jurisdictional change is recorded with
9 the county recorder, the executive officer shall notify the
10 auditor or auditors of the exchange of property tax
11 revenues and the auditor or auditors shall make the
12 appropriate adjustments as provided in subdivision (a).

13 (c) Whenever a jurisdictional change is not required
14 to be reviewed and approved by a local agency formation
15 commission, the local agencies whose service area or
16 service responsibilities would be altered by the proposed
17 change, shall give notice to the State Board of
18 Equalization and the assessor and auditor of each county
19 within which the territory subject to the jurisdictional
20 change is located. This notice shall specify each local
21 agency whose service area or responsibility will be
22 altered by the jurisdictional change and request the
23 auditor and assessor to make the determinations required
24 pursuant to paragraphs (1) and (2) of subdivision (b).
25 Upon notification by the auditor of the amount of, and
26 allocation factors with respect to, property tax subject to
27 exchange, the local agencies, pursuant to the provisions
28 of paragraphs (4), (5), and (6) of subdivision (b), shall
29 determine the amount of property tax revenues to be
30 exchanged between and among the local agencies.
31 Notwithstanding any other provision of law, no such
32 jurisdictional change shall become effective until each
33 county and city included in these negotiations agrees, by
34 resolution, to accept the negotiated exchange of property
35 tax revenues. The exchange may be limited to an
36 exchange of property tax revenue from the annual tax
37 increment generated in the area subject to the
38 jurisdictional change and attributable to the local
39 agencies whose service area or service responsibilities
40 will be altered by the proposed jurisdictional change. The



1 final exchange resolution shall specify how the annual tax
2 increment shall be allocated in future years. Upon the
3 adoption of the resolutions required pursuant to this
4 section, the adopting agencies shall notify the auditor
5 who shall make the appropriate adjustments as provided
6 in subdivision (a). Adjustments in property tax
7 allocations made as the result of a city or library district
8 withdrawing from a county free library system pursuant
9 to Section 19116 of the Education Code shall be made
10 pursuant to Section 19116 of the Education Code, and this
11 subdivision shall not apply.

12 (d) With respect to adjustments in the allocation of
13 property taxes pursuant to this section, a county and any
14 local agency or agencies within the county may develop
15 and adopt a master property tax transfer agreement. The
16 agreement may be revised from time to time by the
17 parties subject to the agreement.

18 (e) (1) An exchange of property tax revenues that is
19 required by paragraph (8) of subdivision (b) to be
20 determined pursuant to this subdivision shall be
21 determined in accordance with all of the following:

22 (A) The city and the county shall mutually select a
23 third-party consultant to perform a comprehensive,
24 independent fiscal analysis, funded in equal portions by
25 the city and the county, that specifies estimates of all tax
26 revenues that will be derived from the annexed territory
27 and the costs of city and county services with respect to
28 the annexed territory. The analysis shall be completed
29 within a period not to exceed 30 days, and shall be based
30 upon the general plan or adopted plans and policies of the
31 annexing city and the intended uses for the annexed
32 territory. If, upon the completion of the analysis period,
33 no exchange of property tax revenues is agreed upon by
34 the city and the county, subparagraph (B) shall apply.

35 (B) The city and the county shall mutually select a
36 mediator, funded in equal portions by those agencies, to
37 perform mediation for a period of not to exceed 30 days.
38 If, upon the completion of the mediation period, no
39 exchange of property tax revenues is agreed upon by the
40 city and the county, subparagraph (C) shall apply.



1 (C) The city and the county shall mutually select an
2 arbitrator, funded in equal portions by those agencies, to
3 conduct an advisory arbitration with the city and the
4 county for a period of not to exceed 30 days. At the
5 conclusion of this arbitration period, the city and the
6 county shall each present to the arbitrator its last and best
7 offer with respect to the exchange of property tax
8 revenues. The arbitrator shall select one of the offers and
9 recommend that offer to the governing bodies of the city
10 and the county. If the governing body of the city or the
11 county rejects the recommended offer, it shall do so
12 during a public hearing, and shall, at the conclusion of
13 that hearing, make written findings of fact as to why the
14 recommended offer was not accepted.

15 (2) Proceedings under this subdivision shall be
16 concluded no more than 150 days after the ~~initiation of~~
17 ~~proceedings before the commission~~ *auditor provides the*
18 *notification pursuant to paragraph (3) of subdivision (b)*,
19 unless one of the periods specified in this subdivision is
20 extended by the mutual agreement of the city and the
21 county. Notwithstanding any other provision of law,
22 except for those conditions that are necessary to
23 implement an exchange of property tax revenues
24 determined pursuant to this subdivision, the local agency
25 formation commission shall not impose any fiscal
26 conditions upon a city's qualified annexation of
27 unincorporated territory that is subject to this
28 subdivision.

29 (f) Except as otherwise provided in subdivision (g),
30 for the purpose of determining the amount of property
31 tax to be allocated in the 1979–80 fiscal year and each fiscal
32 year thereafter for those local agencies that were affected
33 by a jurisdictional change which was filed with the State
34 Board of Equalization after January 1, 1978, but on or
35 before January 1, 1979. The local agencies shall determine
36 by resolution the amount of property tax revenues to be
37 exchanged between and among the affected agencies
38 and notify the auditor of the determination.

39 (g) For the purpose of determining the amount of
40 property tax to be allocated in the 1979–80 fiscal year and



1 each fiscal year thereafter, for a city incorporation that
2 was filed pursuant to Sections 54900 to 54904 after January
3 1, 1978, but on or before January 1, 1979, the amount of
4 property tax revenue considered to have been received
5 by the jurisdiction for the 1978–79 fiscal year shall be
6 equal to two-thirds of the amount of property tax revenue
7 projected in the final local agency formation commission
8 staff report pertaining to the incorporation multiplied by
9 the proportion that the total amount of property tax
10 revenue received by all jurisdictions within the county
11 for the 1978–79 fiscal year bears to the total amount of
12 property tax revenue received by all jurisdictions within
13 the county for the 1977–78 fiscal year. Except, however,
14 in the event that the final commission report did not
15 specify the amount of property tax revenue projected for
16 that incorporation, the commission shall by October 10,
17 determine pursuant to Section 54790.3 of the
18 Government Code the amount of property tax to be
19 transferred to the city.

20 The provisions of this subdivision shall also apply to the
21 allocation of property taxes for the 1980–81 fiscal year and
22 each fiscal year thereafter for incorporations approved by
23 the voters in June 1979.

24 (h) For the purpose of the computations made
25 pursuant to this section, in the case of a district formation
26 that was filed pursuant to Sections 54900 to 54904,
27 inclusive, of the Government Code after January 1, 1978,
28 but before January 1, 1979, the amount of property tax to
29 be allocated to the district for the 1979–80 fiscal year and
30 each fiscal year thereafter shall be determined pursuant
31 to Section 54790.3 of the Government Code.

32 (i) For the purposes of the computations required by
33 this chapter, in the case of a jurisdictional change, other
34 than a change requiring an adjustment by the auditor
35 pursuant to subdivision (a), the auditor shall adjust the
36 allocation of property tax revenue determined pursuant
37 to Section 96 or 96.1 or its predecessor section, or the
38 annual tax increment determined pursuant to Section
39 96.5 or its predecessor section, for each local school
40 district, community college district, or county



1 superintendent of schools whose service area or service
2 responsibility would be altered by the jurisdictional
3 change, as determined as follows:

4 (1) The governing body of each district, county
5 superintendent of schools, or county whose service areas
6 or service responsibilities would be altered by the change
7 shall determine the amount of property tax revenues to
8 be exchanged between and among the affected
9 jurisdictions. This determination shall be adopted by each
10 affected jurisdiction by resolution. For the purpose of
11 negotiation, the county auditor shall furnish the parties
12 and the county board of education with an estimate of the
13 property tax revenue subject to negotiation.

14 (2) In the event that the affected jurisdictions are
15 unable to agree, within 60 days after the effective date of
16 the jurisdictional change, and if all the jurisdictions are
17 wholly within one county, the county board of education
18 shall, by resolution, determine the amount of property tax
19 revenue to be exchanged. If the jurisdictions are in more
20 than one county, the State Board of Education shall, by
21 resolution, within 60 days after the effective date of the
22 jurisdictional change, determine the amount of property
23 tax to be exchanged.

24 (3) Upon adoption of any resolution pursuant to this
25 subdivision, the adopting jurisdictions or State Board of
26 Education shall notify the county auditor who shall make
27 the appropriate adjustments as provided in subdivision
28 (a).

29 (j) For purposes of subdivision (i), the annexation by
30 a community college district of territory within a county
31 not previously served by a community college district is
32 an alteration of service area. The community college
33 district and the county shall negotiate the amount, if any,
34 of property tax revenues to be exchanged. In these
35 negotiations, there shall be taken into consideration the
36 amount of revenue received from the timber yield tax
37 and forest reserve receipts by the community college
38 district in the area not previously served. In no event shall
39 the property tax revenue to be exchanged exceed the
40 amount of property tax revenue collected prior to the



1 annexation for the purposes of paying tuition expenses of
2 residents enrolled in the community college district,
3 adjusted each year by the percentage change in
4 population and the percentage change in the cost of
5 living, or per capita personal income, whichever is lower,
6 less the amount of revenue received by the community
7 college district in the annexed area from the timber yield
8 tax and forest reserve receipts.

9 (k) At any time after a jurisdictional change is
10 effective, any of the local agencies party to the agreement
11 to exchange property tax revenue may renegotiate the
12 agreement with respect to the current fiscal year or
13 subsequent fiscal years, subject to approval by all local
14 agencies affected by the renegotiation.

