

## RESOLUTION NO 2416

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SOLEDAD INVOLVING  
TAX TRANSFERS BETWEEN THE COUNTY OF MONTEREY AND THE CITY OF  
SOLEDAD FOR THE "VISTA SOLEDAD REORGANIZATION" INVOLVING  
ANNEXATION OF 225+ ACRES TO THE CITY OF SOLEDAD AND  
DETACHMENTS FROM THE MISSION-SOLEDAD RURAL FIRE  
PROTECTION DISTRICT AND THE GABILAN-SANTA  
LUCIA RESOURCE CONSERVATION DISTRICT**

**WHEREAS**, Assembly Bill 8 (Chapter 282) Statutes 1979, as amended by Senate Bill 180 (Chapter 801), provides for the Monterey County Board of Supervisors to determine an appropriate tax transfer for all jurisdictional changes of organization occurring within Monterey County and for the City Council of any affected City to concur on the transfer prior to the proposal being considered by the Local Agency Formation Commission (LAFCo); and

**WHEREAS**, the current distribution of property taxes within tax rate area 126-004 is as follows

|                |   |                               |
|----------------|---|-------------------------------|
| 28.08%         | - | Monterey County's Share       |
| 0.85%          | - | Affected Districts' Share     |
| 71.07%         | - | Non-affected Districts' Share |
| <u>100.00%</u> |   |                               |

**WHEREAS**, the current distribution of property taxes within tax rate area 126-011 is as follows

|                |   |                               |
|----------------|---|-------------------------------|
| 27.94%         | - | Monterey County's Share       |
| 0.84%          | - | Affected Districts' Share     |
| 71.22%         | - | Non-affected Districts' Share |
| <u>100.00%</u> | - | Total; and                    |

**WHEREAS**, Senate Bill 180 (Chapter 801) requires non-affected local agencies percentage share will remain constant; and

**WHEREAS**, the County of Monterey and the City of Soledad wish to agree to a fair share distribution of remaining property tax revenues; and

**WHEREAS**, the County of Monterey has realized a 40% reduction and the City has realized a 25% reduction in property tax revenue imposed by the State under Senate Bill 617 (Chapter 699) Statutes 1992; and whereas each year thereafter both the County and the City continue to shift revenues to the Education Revenue Augmentation fund;

**NOW, THEREFORE, BE IT RESOLVED** that the Monterey County Board of Supervisors, DOES HEREBY AGREE to the following formulas for property tax base and increment distribution within Tax Rate Areas 126-004 and 126-011 after change of organization/reorganization

A. DISTRIBUTION OF PROPERTY TAX BASE.

Property Tax Base is the property tax revenue that is available prior to change of organization/reorganization.

(City of Soledad  
Tax Rate Area  
6-000)

|                 |          | <u>Current Ratio</u> |
|-----------------|----------|----------------------|
| City of Soledad | - 22.94% | 51.37%               |
| Monterey County | - 21.71% | 48.63%               |

TRA 126-004: Based on existing Tax Rate Area 126-004, Monterey County's share of property tax reduced by 40% is equal to 16.85% Combined with affected district's share, the total property tax available for distribution in the proposal area is equal to 17.70%

After Change of Organization/Reorganization (New Tax Rate Area  
- to be Assigned)

17.70% - Property Tax Available for Distribution

1. City of Soledad's Share of Total Property Tax Collected.

17.70% - Property Tax Available for Distribution X  
51.37% - City of Soledad's Current Ratio = 9.09%

2. Monterey County's Share of Total Property Taxes Collected:

17.70% - Property Tax Available for Distribution X  
48.63% - Monterey County's Current Ratio = 8.61% plus  
11.23% - The Adjustment for State Tax Shift = 19.84%

Formula for property tax base allocation to the City of Soledad from tax rate area after change of organization/reorganization.

City of Soledad's Property Tax Revenue =  
Total Property Taxes Collected X 9.09% X  
Full Months Remaining in Tax Year divided by 12.

TRA 126-011: Based on existing Tax Rate Area 126-011, Monterey County's share of property tax reduced by 40% is equal to 16.76%. Combined with affected district's share, the total property tax available for distribution in the proposal area is equal to 17.60%.

After Change of Organization/Reorganization (New Tax Rate Area  
- to be Assigned)

17.60% - Property Tax Available for Distribution

1. City of Soledad's Share of Total Property Taxes Collected.

17.60% - Property Tax Available for Distribution X  
 51.37% - City of Soledad's Current Ratio = 9.04%

2. Monterey County's Share of Total Property Taxes Collected.

17.60% - Property Tax Available for Distribution X  
 48.63% - Monterey County's Current Ratio = 8.56% plus  
 11.18% - The Adjustment for State Tax Shift = 19.74%

Formula for property tax base allocation to the City of Soledad from tax rate area 126-011 after change of organization/reorganization.

City of Soledad's Property Tax Revenue =  
 Total Property Taxes Collected X 9.04% X  
 Full Months Remaining in Tax Year divided by 12.

B. DISTRIBUTION OF PROPERTY TAX INCREMENT:

Property tax increment is the increase in property tax revenue above the base resulting from the increase in assessed value of property after the change in organization/reorganization.

The formula recognizes that all future growth will be subject to a shift to Education Revenue Augmentation Fund (ERAF) in the amount of 40% for the County and 25% for the City. After the shift, the County and the City will be in the same relative position as before dividing the remainder.

|                 |   |                    |   |                   | (City of Soledad<br>Tax Rate Area 6-000)                |        |
|-----------------|---|--------------------|---|-------------------|---|--------|
| Current<br>Rate | + | ERAF<br>Adjustment | = | Resulting<br>Rate | Resulting<br>Ratio<br>based on<br>Existing<br>Tax Distr |        |
| City of Soledad |   | 22.94%             |   | 75%               | 30.59%  | 45.82% |
| Monterey County |   | 21.71%             |   | 60%               | 36.18%  | 54.19% |

TRA 126-004. Based on existing Tax Rate Area 126-004, Monterey County's Share of property tax is 28.08% and the affected district share is 0.85%. The total property tax available for distribution in the proposal area is 28.93%. The new Resulting Ratios calculated above are applied to the increment.

After Change of Organization/Reorganization (New Tax Rate Area  
to be Assigned)

28.93% = Property Tax Available for Distribution

1. City of Soledad's Share of Property Tax Increment:

28.93% - Property Tax Available for Distribution X  
45.82% - City of Soledad New Resulting Ratio = 13.26%

2. Monterey County's Share of Property Tax Increment.

28.93% - Property Tax Available for Distribution X  
54.19% - Monterey County New Resulting Ratio = 15.68%

Formula for property tax increment to the City of Soledad from  
Tax Rate Area 126-004 after change of  
organization/reorganization:

City of Soledad's Property Tax Increment =  
Total Property Tax Increment Collected X 13.26% X  
Full Month Remaining in Tax Year divided by 12.

TRA 126-011: Based on existing Tax Rate Area 126-011, Monterey  
County's share of property tax is 27.94% and the affected district  
share is 0.84%. The total property tax available for distribution  
in the proposal area is 28.78%. The new Resulting Ratios  
calculated above are applied to the increment.

After Change of Organization/Reorganization (New Tax Rate Area  
to be Assigned)

28.78% = Property Tax Available for Distribution

1. City of Soledad's Share of Property Tax Increment.

28.78% - Property Tax Available for Distribution X  
45.82% - City of Soledad's New Resulting Ratio = 13.19%

2. Monterey County's Share of Property Tax Increment.

28.78% - Property Tax Available for Distribution X  
54.19% - Monterey County New Resulting Ratio = 15.60%

Formula for property tax increment to the City of Soledad from  
Tax Rate Area 126-011 after change of  
organization/reorganization:

City of Soledad Property Tax Increment =  
Total Property Tax Increment Collected X 13.19% X  
Full Month Remaining in Tax Year divided by 12.

If the State ever repeals the 40% reduction to the County, said tax rates will be re-calculated, based on the original distribution of tax rate areas prior to this resolution.

**PASSED AND ADOPTED** by the City Council of the City of Soledad at a regular meeting duly held on the 27th day of February, 1995 by the following vote:

AYES, and in favor thereof, Councilmembers. John Holguin, Fred Ledesma, Richard Ortiz, Mayor Pro Tem Fabian Barrera, Mayor Ben Jimenez, Jr.

NAYES, Councilmembers. None

ABSENT, Councilmembers: None

  
MAYOR OF THE CITY OF SOLEDAD

ATTEST.

  
CITY CLERK OF THE CITY OF SOLEDAD