

AMENDED IN ASSEMBLY APRIL 23, 2001

AMENDED IN ASSEMBLY APRIL 2, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1137

Introduced by Assembly Member Hollingsworth

February 23, 2001

An act to amend Section 96.19 of the Revenue and Taxation Code, relating to local government finance, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1137, as amended, Hollingsworth. Property tax revenue apportionments.

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 law provides for computations, on the basis of these allocations, of apportionment factors that are applied to actual property tax revenues in each county in order to determine actual amounts of property tax revenue received by each recipient jurisdiction. Existing law provides that the property tax ~~allocation~~ *apportionment* factors applied ~~in allocating~~ *to* property tax revenues in the County of Riverside through the 1999–2000 fiscal year are correct.

~~This bill would *instead* deem correct the property tax allocation apportionment factors applied in allocating to property tax revenues to jurisdictions, other than the Murrieta Fire Protection District, in the County of Riverside through the 1995–96 fiscal year. This bill also would appropriate an unspecified sum to the County of Riverside for apportionment to jurisdictions, other than the Murrieta Fire Protection District, within the county that were underpaid as a result of errors in the apportionment factors applied in apportioning property tax revenues to these jurisdictions in fiscal years 1996–97 to 1999–2000, inclusive.~~

~~This bill would deem correct the property tax allocation factors applied in allocating property tax revenues to the Murrieta Fire Protection District in the County of Riverside through the 1989–90 fiscal year. This bill also would appropriate an unspecified sum to the County of Riverside for apportionment to the Murrieta Fire Protection District to compensate for the amount that the district was underpaid as a result of errors in the property tax apportionment factors applied in apportioning property tax revenues to that district in fiscal years 1990–91 to 1999–2000, inclusive.~~

~~This bill also would require jurisdictions, other than specified educational entities, within the County of Riverside that were overpaid as a result of errors in the apportionment factors applied in allocating property tax revenues to these taxing jurisdictions in fiscal years 1996–97 to 1999–2000, inclusive, to return to the Controller, pursuant to a specified formula, amounts equal to the amounts that these jurisdictions were overpaid in fiscal years 1996–97 to 1999–2000, inclusive. This bill would also require the County of Riverside, from the 2002–03 fiscal year to the 2007–08 fiscal year, inclusive, to reimburse local agencies that received property tax revenue apportionments from the 1996–97 fiscal year to the 1999–2000 fiscal year, inclusive, that were lower than the apportionments required by law.~~

By imposing new duties upon local officials in the County of Riverside with respect to apportionments and reimbursements, this bill would impose a state-mandated local program.

This bill would make legislative findings as to the necessity for a special statute.

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.

Vote: $\frac{2}{3}$ majority. Appropriation: yes no. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 96.19 of the Revenue and Taxation
2 Code is amended to read:

3 96.19. (a) ~~(1)~~ Notwithstanding any other provision of law,
4 ~~and except as provided in subdivision (b),~~ the property tax
5 apportionment factors applied ~~in allocating~~ to property tax
6 revenues in the County of Riverside for each fiscal year to the
7 1995–96 fiscal year, inclusive, are deemed to be correct.

8 ~~(2) There is hereby appropriated from the General Fund to the~~
9 ~~Controller the sum of _____ dollars (\$_____) for allocation to the~~
10 ~~County of Riverside to compensate for errors, as identified by the~~
11 ~~Controller’s audit, in the property tax apportionment factors~~
12 ~~applied in that county in fiscal years 1996–97 to 1999–2000,~~
13 ~~inclusive. The auditor for the County of Riverside shall apportion~~
14 ~~this sum among the jurisdictions within the county, other than the~~
15 ~~Murrieta Fire Protection District, that were underpaid as a result~~
16 ~~of apportionment errors in fiscal years 1996–97 to 1999–2000,~~
17 ~~inclusive, in amounts that will compensate each of those~~
18 ~~jurisdictions for apportionment shortfalls suffered in those same~~
19 ~~fiscal years.~~

20 ~~(b) (1) Notwithstanding any other provision of law, the~~
21 ~~property tax apportionment factors applied in allocating property~~
22 ~~tax revenues to the Murrieta Fire Protection District in the County~~
23 ~~of Riverside for each fiscal year to the 1989–90 fiscal year,~~
24 ~~inclusive, are deemed to be correct.~~

25 ~~(2) There is hereby appropriated from the General Fund to the~~
26 ~~Controller the sum of _____ dollars (\$_____) for allocation to the~~
27 ~~County of Riverside to compensate for errors, as identified in the~~
28 ~~Controller’s audit, in the property tax apportionment factors~~



1 applied to the Murrieta Fire Protection District in that county in
2 fiscal years 1990–91 to 1999–2000, inclusive. The auditor for the
3 County of Riverside shall allocate this sum to the Murrieta Fire
4 Protection District.

5 (e) (1) Commencing with the 2005–06 fiscal year and in each
6 of the succeeding 29 fiscal years, each jurisdiction within the
7 County of Riverside that was overpaid as a result of errors, as
8 identified in the Controller’s audit, in the property tax
9 apportionment factors applied in fiscal years 1996–97 to
10 1999–2000, inclusive, shall, except as provided in paragraph (2),
11 pay to the Controller one-thirtieth of the total amount that the
12 taxing jurisdiction was overpaid for those fiscal years as a result
13 of errors in the property tax apportionment factors applied in those
14 same fiscal years.

15 (2) Paragraph (1) does not apply to any school district, county
16 office of education, community college district, or Educational
17 Revenue Augmentation Fund within the County of Riverside.

18 (d) For the 2000–01 fiscal year and each fiscal year thereafter,
19 property tax apportionment factors applied in allocating property
20 tax revenues in the County of Riverside shall be determined on the
21 basis of property tax apportionment factors for prior fiscal years
22 that have been fully corrected and adjusted, pursuant to the review
23 and recommendation of the Controller, as would be required in the
24 absence of this section.

25 (b) (1) Notwithstanding any other provision of law, for the
26 2002–03 fiscal year and each of the next five following fiscal years,
27 the auditor for the County of Riverside shall do both of the
28 following:

29 (A) Increase the total amount of property tax revenue
30 apportioned to each underpaid local agency by that local agency’s
31 compensation amount.

32 (B) Decrease the amount of property tax revenue apportioned
33 to the County of Riverside by the combined total of the
34 apportionment increases required by subparagraph (A).

35 (2) For purposes of this subdivision:

36 (A) “Underpaid local agency” means a local agency in the
37 County of Riverside, other than the county itself, that a
38 Controller’s audit has determined to have been apportioned, for
39 the 1996–97 fiscal year to the 1999–2000 fiscal year, inclusive, a
40 total amount of property tax revenue that is less than the total



1 *amount of property tax revenue that was required by law to be*
2 *apportioned to that agency for that same period.*

3 (B) *“Compensation amount” means, for any underpaid local*
4 *agency, one-sixth of that additional amount of property tax*
5 *revenue that was determined by the Controller’s audit to have been*
6 *required to be apportioned to that local agency for the 1996–97*
7 *fiscal year to the 1999–2000 fiscal year, inclusive.*

8 SEC. 2. The Legislature finds and declares that a special law
9 is necessary and that a general law cannot be made applicable
10 within the meaning of Section 16 of Article IV of the California
11 Constitution because of the unique difficulties faced by the County
12 of Riverside in attempting in good faith to properly allocate
13 property tax revenues pursuant to ambiguous legal requirements,
14 and the uniquely severe fiscal and public service consequences that
15 would be faced by jurisdictions in the County of Riverside in the
16 absence of the relief provided by this act.

17 SEC. 3. Notwithstanding Section 17610 of the Government
18 Code, if the Commission on State Mandates determines that this
19 act contains costs mandated by the state, reimbursement to local
20 agencies and school districts for those costs shall be made pursuant
21 to Part 7 (commencing with Section 17500) of Division 4 of Title
22 2 of the Government Code. If the statewide cost of the claim for
23 reimbursement does not exceed one million dollars (\$1,000,000),
24 reimbursement shall be made from the State Mandates Claims
25 Fund.

