

AMENDED IN ASSEMBLY AUGUST 20, 2010

AMENDED IN ASSEMBLY AUGUST 17, 2010

AMENDED IN SENATE JUNE 1, 2010

AMENDED IN SENATE APRIL 14, 2010

**SENATE BILL**

**No. 1398**

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**Introduced by Senator DeSaulnier**  
(Coauthor: Assembly Member Buchanan)

February 19, 2010

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An act to amend Section 100 of, and to add Section 100.96 to, the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1398, as amended, DeSaulnier. Property tax revenue allocations: public utilities: qualified property.

(1) The California Constitution requires the State Board of Equalization to assess the property, other than franchises, of companies transmitting or selling gas or electricity. Existing property tax law provides for the valuation, as a unit, of properties of a state assessee that are operated as a unit as a primary function of that assessee, and for the allocation of the assessed value of the unit among various counties in which the state assessee's unitary property is located. Existing law also provides, pursuant to specified formulas, for the application in each county of specified tax rates to unitary assessed value, and for the allocation among jurisdictions in that county of the resulting revenues.

This bill would, for the 2011–12 fiscal year and for each fiscal year thereafter, require that a specified amount of property tax revenues derived from applying a specified tax rate to qualified property, as

defined, be allocated first to the county in which the qualified property is located and to all of the school entities located in that county ~~and~~, 2nd to the East Contra Costa Fire Protection District, *and 3rd to specified special districts*, with the balance allocated to the redevelopment agency governing the project area in which the qualified property is located. This bill would also require that a specified amount of property tax revenues derived from applying another specified tax rate to the qualified property be first allocated to taxing jurisdictions in those tax rate areas in the county in which the qualified property is located, with the balance allocated to taxing jurisdictions pursuant to a specified formula. The bill would require the Oakley Redevelopment Agency to reimburse the county auditor for the actual and reasonable costs incurred by the county auditor in administering these allocations.

(2) This bill would make legislative findings and declarations as to the necessity of a special statute.

(3) *This bill would also incorporate additional changes in Section 100 of the Revenue and Taxation Code, proposed by AB 308, to be operative if AB 308 and this bill are both enacted and become effective on or before January 1, 2011, and this bill is enacted last.*

(3)

(4) By establishing new duties with respect to the annual allocation of property tax revenues derived from state-assessed property, this bill would create 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.

This bill would provide that no reimbursement is required by this act for a specified reason.

(4)

(5) This bill would change the pro rata shares in which ad valorem property tax revenues are allocated among local agencies in a county, within the meaning of paragraph (3) of subdivision (a) of Section 25.5 of Article XIII of the California Constitution, and thus would require for passage the approval of  $\frac{2}{3}$  of the membership of each house of the Legislature.

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

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

1 SECTION 1. Section 100 of the Revenue and Taxation Code  
2 is amended to read:

3 100. Notwithstanding any other provision of law, commencing  
4 with the 1988–89 fiscal year, property tax assessed value  
5 attributable to unitary and operating nonunitary property, as defined  
6 in Sections 723 and 723.1, that is assessed by the State Board of  
7 Equalization, shall be allocated by county as provided in Section  
8 756, and the assessed value and revenues attributable to that  
9 allocation shall be allocated within each county as follows:

10 (a) Each county shall establish one countywide tax rate area.  
11 The assessed value of all unitary and operating nonunitary property  
12 shall be assigned to this tax rate area. No other property shall be  
13 assigned to this tax rate area.

14 (b) Property assigned to the tax rate area created by subdivision  
15 (a) shall be taxed at a rate equal to the sum of the following two  
16 rates:

17 (1) A rate determined by dividing the county’s total ad valorem  
18 tax levies for the secured roll, including levies made pursuant to  
19 Section 96.8, for the prior year, exclusive of levies for debt service,  
20 by the county’s total ad valorem secured roll assessed value for  
21 the prior year.

22 (2) A rate determined as follows:

23 (A) By dividing the county’s total ad valorem tax levies for  
24 unitary and operating nonunitary property for the prior year debt  
25 service only by the county’s total unitary and operating nonunitary  
26 assessed value for the prior year.

27 (B) Beginning with the 1989–90 fiscal year, adjusting the rate  
28 determined pursuant to subparagraph (A) by the percentage change  
29 between the two preceding fiscal years in the county’s ad valorem  
30 debt service levy for the secured roll, not including unitary and  
31 operating nonunitary debt service.

32 (c) The property tax revenue derived from the assessed value  
33 assigned to the countywide tax rate area pursuant to subdivision  
34 (a) and pursuant to paragraph (2) of subdivision (a) of Section  
35 100.1 by the use of the tax rate determined in paragraph (1) of  
36 subdivision (b) shall be allocated as follows:

37 (1) For the 1988–89 fiscal year and each fiscal year thereafter,  
38 each taxing jurisdiction shall be allocated an amount of property

1 tax revenue equal to 102 percent of the amount of the aggregate  
2 property tax revenue it received from all unitary and operating  
3 nonunitary property in the prior fiscal year, exclusive of revenue  
4 attributable to qualified property under Sections 100.95 and 100.96  
5 and levies for debt service.

6 (2) If the amount of property tax revenue available for allocation  
7 in the current fiscal year is insufficient to make the allocations  
8 required by paragraph (1), the amount of revenue to be allocated  
9 to each taxing jurisdiction shall be prorated based on a factor  
10 determined by dividing the total amount of property tax revenue  
11 available to all taxing jurisdictions from unitary and operating  
12 nonunitary property in the current year, exclusive of revenue  
13 attributable to levies for debt service, by the total amount of  
14 property tax revenue received by all taxing jurisdictions from  
15 unitary and operating nonunitary property in the prior fiscal year,  
16 exclusive of revenue attributable to levies for debt service.

17 (3) If the amount of property tax revenue available for allocation  
18 to all taxing jurisdictions in the current fiscal year from unitary  
19 and operating nonunitary property, exclusive of revenue attributable  
20 to qualified property under Sections 100.95 and 100.96 and levies  
21 for debt service, exceeds 102 percent of the property tax revenue  
22 received by all taxing jurisdictions from all unitary and operating  
23 nonunitary property in the prior fiscal year, exclusive of revenue  
24 attributable to qualified property under Sections 100.95 and 100.96  
25 and levies for debt service, the amount of revenue in excess of 102  
26 percent shall be allocated to all taxing jurisdictions in the county  
27 by a ratio determined by dividing each taxing jurisdiction's share  
28 of the county's total ad valorem tax levies for the secured roll for  
29 the prior year, exclusive of levies for qualified property under  
30 Sections 100.95 and 100.96 and levies for debt service, by the  
31 county's total ad valorem tax levies for the secured roll for the  
32 prior year, exclusive of levies for qualified property under Sections  
33 100.95 and 100.96 and levies for debt service.

34 (d) The property tax revenue derived from the assessed value  
35 assigned to the countywide tax rate area pursuant to subdivision  
36 (a) and pursuant to paragraph (2) of subdivision (a) of Section  
37 100.1 by the use of the tax rate determined in paragraph (2) of  
38 subdivision (b) shall be allocated as follows:

39 (1) An amount shall be computed for each taxing jurisdiction  
40 and shall be determined by multiplying the amounts required in

1 the current year pursuant to subdivisions (a) and (c) of Section 93  
2 by that percentage that shall be determined by dividing the amount  
3 of property tax revenue the jurisdiction received in the prior year  
4 from unitary property and operating nonunitary property by the  
5 total amount of property tax revenue the jurisdiction received in  
6 the prior year from all property.

7 (2) The amount of property tax revenue available for allocation  
8 pursuant to this subdivision shall be allocated among taxing  
9 jurisdictions in the proportion that the amount computed for each  
10 taxing jurisdiction pursuant to paragraph (1) bears to the total  
11 amount computed pursuant to paragraph (1) for all taxing  
12 jurisdictions.

13 (3) If a taxing jurisdiction is levying a tax rate for debt service  
14 for the first time in the current fiscal year, for purposes of  
15 determining the percentage specified in paragraph (1), that  
16 percentage shall be the percentage determined by dividing the  
17 amount of property tax revenue received by that taxing jurisdiction  
18 in the prior year pursuant to subdivision (c) from unitary and  
19 operating nonunitary property by the total amount of property tax  
20 revenue received by that taxing jurisdiction in the prior year from  
21 all property within the taxing jurisdiction.

22 (e) For purposes of this section:

23 (1) “The county’s total ad valorem tax levies for the secured  
24 roll” means all ad valorem tax levies for the county’s secured roll,  
25 including the general tax levy, levies for debt service (including  
26 land only and land and improvement rates), and levies for  
27 redevelopment agencies.

28 (2) “The county’s total ad valorem secured roll” means the  
29 county’s local roll, after all exemptions except the homeowner’s  
30 exemption, and the county’s utility roll.

31 (3) “Taxing jurisdiction” includes a redevelopment agency.

32 (4) In a county of the second class, for the 1992–93 fiscal year  
33 and each fiscal year thereafter, “taxing jurisdiction” includes that  
34 fund that has been designated by the auditor as the “Unallocated  
35 Residual Public Utility Tax Fund.” All revenues allocated to that  
36 fund pursuant to this section shall be deposited in that fund and  
37 shall be distributed as follows:

38 (A) For the 1992–93 fiscal year to the 1996–97 fiscal year,  
39 inclusive, at the discretion of the county board of supervisors.

- 1 (B) For the 1997–98 fiscal year, 100 percent to the Orange  
2 County Fire Authority.
- 3 (C) For the 1998–99 fiscal year and each fiscal year thereafter,  
4 in accordance with the following schedule:
- 5 (i) Fifty-seven and forty-seven hundredths percent to the Orange  
6 County Fire Authority.
- 7 (ii) Forty-one and forty-seven hundredths percent to the Orange  
8 County Library District.
- 9 (iii) Forty-eight hundredths percent to the Buena Park Library  
10 District.
- 11 (iv) Fifty-eight hundredths percent to the Placentia Library  
12 District.
- 13 (f) The assessed value of the unitary and operating nonunitary  
14 property shall be kept separate for each state assessee throughout  
15 the allocation process.
- 16 (g) Each state assessee shall be issued only one tax bill for all  
17 unitary and operating nonunitary property within the county.
- 18 (h) This section applies to the unitary property of regulated  
19 railway companies only to the extent described in Section 100.1.
- 20 (i) This section does not apply to property that on July 1, 1987,  
21 was undeveloped and owned by a utility and located within a city,  
22 county, or city and county that adopts a resolution stating that the  
23 property is subject to a development plan or agreement and that  
24 this section shall not apply to that property, and the city, county,  
25 or city and county transmits a copy of that resolution, including a  
26 legal description of the property, to the State Board of Equalization  
27 and the county’s auditor-controller prior to January 1, 1988.
- 28 (j) (1) For property that on July 1, 1990, was undeveloped and  
29 owned by a utility and that is located within a city, county, or city  
30 and county that adopts a resolution stating that the property is  
31 subject to a development plan or agreement and that this  
32 subdivision applies to that property, and the city, county, or city  
33 and county transmits a copy of that resolution, including a legal  
34 description of the property, to the county auditor prior to August  
35 1, 1991, the allocation of property tax revenues derived with respect  
36 to that property pursuant to Sections 96.1, 96.2, 97.31, 98, 98.01,  
37 and 98.04, shall be subject to the allocation required by paragraph  
38 (2).
- 39 (2) The county auditor shall annually allocate to a city, county,  
40 or city and county, that has adopted and transmitted a resolution

1 pursuant to paragraph (1), the amount of property tax revenues  
2 derived with respect to the property described in paragraph (1)  
3 that would be allocated to that city, county, or city and county if  
4 that property were subject to assessment by the county assessor.  
5 In order to provide the allocations required by this paragraph, the  
6 county auditor shall make any necessary pro rata reductions in  
7 allocations to local agencies other than that city, county, or city  
8 and county adopting and transmitting a resolution pursuant to  
9 paragraph (1), of property tax revenues derived with respect to the  
10 property described in paragraph (1).

11 (k) (1) For property subject to this section that is owned by a  
12 utility that serves no more than two counties and is located within  
13 a city, county, or city and county that adopts a resolution stating  
14 that the property is subject to a development plan or agreement  
15 for new construction and the city, county, or city and county  
16 transmits a copy of that resolution, including a legal description  
17 of the property, to the State Board of Equalization and the county  
18 auditor prior to January 1, 2006, the allocation of property tax  
19 revenues derived with respect to that property pursuant to Sections  
20 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the  
21 requirements of paragraph (2).

22 (2) If the city, county, or city and county has adopted and  
23 transmitted a resolution pursuant to paragraph (1), the county  
24 auditor shall annually allocate the property tax revenue attributable  
25 to the new construction described in the development plan or  
26 agreement, as if that new construction were subject to assessment  
27 by the county assessor, according to the following formula:

28 (A) An amount of property tax revenue to school entities, as  
29 defined in subdivision (f) of Section 95, equivalent to the same  
30 percentage the school entities received in the prior fiscal year of  
31 the property tax revenues paid by the utility in the county in which  
32 the property described in paragraph (1) is located.

33 (B) An amount of property tax revenue to the county in which  
34 the property is located equivalent to the same percentage the county  
35 received in the prior fiscal year of the property tax revenues paid  
36 by the utility in the county in which the property described in  
37 paragraph (1) is located. The county shall distribute those property  
38 tax revenues to the county general fund, the county library district,  
39 the county flood control district, the county sanitation districts,  
40 and the county service areas.

1 (C) The property tax revenue remaining after the allocations  
 2 described in subparagraphs (A) and (B) are made shall be  
 3 distributed to the city in which the property described in paragraph  
 4 (1) is located.

5 (3) In order to provide the allocations required by paragraph  
 6 (2), the county auditor shall make any necessary pro rata reductions  
 7 in allocations of property taxes attributable to the property specified  
 8 in paragraph (1) to jurisdictions other than those receiving an  
 9 allocation under paragraph (2).

10 (I) The amendments made to this section by the act that added  
 11 this subdivision apply for the 2007–08 fiscal year and for each  
 12 fiscal year thereafter.

13 *SEC. 1.5. Section 100 of the Revenue and Taxation Code is*  
 14 *amended to read:*

15 100. Notwithstanding any other provision of law, commencing  
 16 with the 1988–89 fiscal year, property tax assessed value  
 17 attributable to unitary and operating nonunitary property, as defined  
 18 in Sections 723 and 723.1, that is assessed by the State Board of  
 19 Equalization shall be allocated by county as provided in Section  
 20 756, and the assessed value and revenues attributable to that  
 21 allocation shall be allocated within each county as follows:

22 (a) Each county shall establish one countywide tax rate area.  
 23 The assessed value of all unitary and operating nonunitary property  
 24 shall be assigned to this tax rate area. No other property shall be  
 25 assigned to this tax rate area.

26 (b) Property assigned to the tax rate area created by subdivision  
 27 (a) shall be taxed at a rate equal to the sum of the following two  
 28 rates:

29 (1) A rate determined by dividing the county’s total ad valorem  
 30 tax levies for the secured roll, including levies made pursuant to  
 31 Section 96.8, for the prior year, exclusive of levies for debt service,  
 32 by the county’s total ad valorem secured roll assessed value for  
 33 the prior year.

34 (2) A rate determined as follows:

35 (A) By dividing the county’s total ad valorem tax levies for  
 36 unitary and operating nonunitary property for the prior year debt  
 37 service only by the county’s total unitary and operating nonunitary  
 38 assessed value for the prior year.

39 (B) Beginning with the 1989–90 fiscal year, adjusting the rate  
 40 determined pursuant to subparagraph (A) by the percentage change



1 between the two preceding fiscal years in the county’s ad valorem  
2 debt service levy for the secured roll, not including unitary and  
3 operating nonunitary debt service.

4 (c) The property tax revenue derived from the assessed value  
5 assigned to the countywide tax rate area pursuant to subdivision  
6 (a) and pursuant to paragraph (2) of subdivision (a) of Section  
7 100.1 by the use of the tax rate determined in paragraph (1) of  
8 subdivision (b) shall be allocated as follows:

9 (1) For the 1988–89 fiscal year and each fiscal year thereafter,  
10 each taxing jurisdiction shall be allocated an amount of property  
11 tax revenue equal to 102 percent of the amount of the aggregate  
12 property tax revenue it received from all unitary and operating  
13 nonunitary property in the prior fiscal year, exclusive of revenue  
14 attributable to qualified property under ~~Section~~ *Sections* 100.95  
15 *and 100.96* and levies for debt service.

16 (2) If the amount of property tax revenue available for allocation  
17 in the current fiscal year is insufficient to make the allocations  
18 required by paragraph (1), the amount of revenue to be allocated  
19 to each taxing jurisdiction shall be prorated based on a factor  
20 determined by dividing the total amount of property tax revenue  
21 available to all taxing jurisdictions from unitary and operating  
22 nonunitary property in the current year, exclusive of revenue  
23 attributable to levies for debt service, by the total amount of  
24 property tax revenue received by all taxing jurisdictions from  
25 unitary and operating nonunitary property in the prior fiscal year,  
26 exclusive of revenue attributable to levies for debt service.

27 (3) If the amount of property tax revenue available for allocation  
28 to all taxing jurisdictions in the current fiscal year from unitary  
29 and operating nonunitary property, exclusive of revenue attributable  
30 to qualified property under ~~Section~~ *Sections* 100.95 *and 100.96*  
31 and levies for debt service, exceeds 102 percent of the property  
32 tax revenue received by all taxing jurisdictions from all unitary  
33 and operating nonunitary property in the prior fiscal year, exclusive  
34 of revenue attributable to qualified property under ~~Section~~ *Sections*  
35 *100.95 and 100.96* and levies for debt service, the amount of  
36 revenue in excess of 102 percent shall be allocated to all taxing  
37 jurisdictions in the county by a ratio determined by dividing each  
38 taxing jurisdiction’s share of the county’s total ad valorem tax  
39 levies for the secured roll for the prior year, exclusive of levies for  
40 qualified property under ~~Section~~ *Sections* 100.95 *and 100.96* and

1 levies for debt service, by the county’s total ad valorem tax levies  
2 for the secured roll for the prior year, exclusive of levies for  
3 qualified property under ~~Section~~ *Sections 100.95 and 100.96* and  
4 levies for debt service.

5 (d) The property tax revenue derived from the assessed value  
6 assigned to the countywide tax rate area pursuant to subdivision  
7 (a) and pursuant to paragraph (2) of subdivision (a) of Section  
8 100.1 by the use of the tax rate determined in paragraph (2) of  
9 subdivision (b) shall be allocated as follows:

10 (1) An amount shall be computed for each taxing jurisdiction  
11 and shall be determined by multiplying the amounts required in  
12 the current year pursuant to subdivisions (a) and (c) of Section 93  
13 by that percentage that shall be determined by dividing the amount  
14 of property tax revenue the jurisdiction received in the prior year  
15 from unitary property and operating nonunitary property by the  
16 total amount of property tax revenue the jurisdiction received in  
17 the prior year from all property.

18 (2) The amount of property tax revenue available for allocation  
19 pursuant to this subdivision shall be allocated among taxing  
20 jurisdictions in the proportion that the amount computed for each  
21 taxing jurisdiction pursuant to paragraph (1) bears to the total  
22 amount computed pursuant to paragraph (1) for all taxing  
23 jurisdictions.

24 (3) If a taxing jurisdiction is levying a tax rate for debt service  
25 for the first time in the current fiscal year, for purposes of  
26 determining the percentage specified in paragraph (1), that  
27 percentage shall be the percentage determined by dividing the  
28 amount of property tax revenue received by that taxing jurisdiction  
29 in the prior year pursuant to subdivision (c) from unitary and  
30 operating nonunitary property by the total amount of property tax  
31 revenue received by that taxing jurisdiction in the prior year from  
32 all property within the taxing jurisdiction.

33 (e) For purposes of this section:

34 (1) “The county’s total ad valorem tax levies for the secured  
35 roll” means all ad valorem tax levies for the county’s secured roll,  
36 including the general tax levy, levies for debt service (including  
37 land only and land and improvement rates), and levies for  
38 redevelopment agencies.

1 (2) “The county’s total ad valorem secured roll” means the  
2 county’s local roll, after all exemptions except the homeowner’s  
3 exemption, and the county’s utility roll.

4 (3) “Taxing jurisdiction” includes a redevelopment agency.

5 (4) In a county of the second class, for the 1992–93 fiscal year  
6 and each fiscal year thereafter, “taxing jurisdiction” includes that  
7 fund that has been designated by the auditor as the “Unallocated  
8 Residual Public Utility Tax Fund.” All revenues allocated to that  
9 fund pursuant to this section shall be deposited in that fund and  
10 shall be distributed as follows:

11 (A) For the 1992–93 fiscal year to the 1996–97 fiscal year,  
12 inclusive, at the discretion of the county board of supervisors.

13 (B) For the 1997–98 fiscal year, 100 percent to the Orange  
14 County Fire Authority.

15 (C) For the 1998–99 fiscal year and each fiscal year thereafter,  
16 in accordance with the following schedule:

17 (i) Fifty-seven and forty-seven hundredths percent to the Orange  
18 County Fire Authority.

19 (ii) Forty-one and forty-seven hundredths percent to the Orange  
20 County Library District.

21 (iii) Forty-eight hundredths percent to the Buena Park Library  
22 District.

23 (iv) Fifty-eight hundredths percent to the Placentia Library  
24 District.

25 (f) The assessed value of the unitary and operating nonunitary  
26 property shall be kept separate for each state assessee throughout  
27 the allocation process.

28 (g) Each state assessee shall be issued only one tax bill for all  
29 unitary and operating nonunitary property within the county.

30 (h) This section applies to the unitary property of regulated  
31 railway companies only to the extent described in Section 100.1.

32 (i) This section does not apply to property that on July 1, 1987,  
33 was undeveloped and owned by a utility and located within a city,  
34 county, or city and county that adopts a resolution stating that the  
35 property is subject to a development plan or agreement and that  
36 this section shall not apply to that property, and the city, county,  
37 or city and county transmits a copy of that resolution, including a  
38 legal description of the property, to the State Board of Equalization  
39 and the county’s auditor-controller prior to January 1, 1988.

1 (j) (1) For property that on July 1, 1990, was undeveloped and  
2 owned by a utility and that is located within a city, county, or city  
3 and county that adopts a resolution stating that the property is  
4 subject to a development plan or agreement and that this  
5 subdivision applies to that property, and the city, county, or city  
6 and county transmits a copy of that resolution, including a legal  
7 description of the property, to the county auditor prior to August  
8 1, 1991, the allocation of property tax revenues derived with respect  
9 to that property pursuant to Sections 96.1, 96.2, 97.31, 98, 98.01,  
10 and 98.04, shall be subject to the allocation required by paragraph  
11 (2).

12 (2) The county auditor shall annually allocate to a city, county,  
13 or city and county, that has adopted and transmitted a resolution  
14 pursuant to paragraph (1), the amount of property tax revenues  
15 derived with respect to the property described in paragraph (1)  
16 that would be allocated to that city, county, or city and county if  
17 that property were subject to assessment by the county assessor.  
18 In order to provide the allocations required by this paragraph, the  
19 county auditor shall make any necessary pro rata reductions in  
20 allocations to local agencies other than that city, county, or city  
21 and county adopting and transmitting a resolution pursuant to  
22 paragraph (1), of property tax revenues derived with respect to the  
23 property described in paragraph (1).

24 (k) (1) For property subject to this section that is owned by a  
25 utility that serves no more than two counties and is located within  
26 a city, county, or city and county that adopts a resolution stating  
27 that the property is subject to a development plan or agreement  
28 for new construction and the city, county, or city and county  
29 transmits a copy of that resolution, including a legal description  
30 of the property, to the State Board of Equalization and the county  
31 auditor prior to January 1, 2006, the allocation of property tax  
32 revenues derived with respect to that property pursuant to Sections  
33 96.1, 97.31, 98, 98.01, and 98.04, shall be subject to the  
34 requirements of paragraph (2).

35 (2) If the city, county, or city and county has adopted and  
36 transmitted a resolution pursuant to paragraph (1), the county  
37 auditor shall annually allocate the property tax revenue attributable  
38 to the new construction described in the development plan or  
39 agreement, as if that new construction were subject to assessment  
40 by the county assessor, according to the following formula:

1 (A) An amount of property tax revenue to school entities, as  
2 defined in subdivision (f) of Section 95, equivalent to the same  
3 percentage the school entities received in the prior fiscal year of  
4 the property tax revenues paid by the utility in the county in which  
5 the property described in paragraph (1) is located.

6 (B) An amount of property tax revenue to the county in which  
7 the property is located equivalent to the same percentage the county  
8 received in the prior fiscal year of the property tax revenues paid  
9 by the utility in the county in which the property described in  
10 paragraph (1) is located. The county shall distribute those property  
11 tax revenues to the county general fund, the county library district,  
12 the county flood control district, the county sanitation districts,  
13 and the county service areas.

14 (C) The property tax revenue remaining after the allocations  
15 described in subparagraphs (A) and (B) are made shall be  
16 distributed to the city in which the property described in paragraph  
17 (1) is located.

18 (3) In order to provide the allocations required by paragraph  
19 (2), the county auditor shall make any necessary pro rata reductions  
20 in allocations of property taxes attributable to the property specified  
21 in paragraph (1) to jurisdictions other than those receiving an  
22 allocation under paragraph (2).

23 *(l) (1) For property subject to this section that is owned by a*  
24 *utility that was constructed by a wholly owned subsidiary of the*  
25 *utility prior to January 1, 2007, and placed in service by the utility*  
26 *on or after January 1, 2007, and the property is located within a*  
27 *redevelopment project area of a joint powers authority comprised*  
28 *of cities and a county that adopts a resolution stating that the*  
29 *property is subject to a redevelopment plan and the joint powers*  
30 *authority transmits a copy of that resolution, including a legal*  
31 *description of the property, to the State Board of Equalization and*  
32 *the county auditor prior to January 1, 2011, the allocation of*  
33 *property tax revenues derived with respect to that property shall*  
34 *be subject to the requirements of subdivision (a) of Section 100.9.*

35 *(2) Notwithstanding any other law, the State Board of*  
36 *Equalization may amend the tax rolls for the 2010–11 fiscal year*  
37 *in order to provide the allocations required by paragraph (1).*

38 (†)

1 (m) The amendments made to this section by the act that added  
 2 this subdivision apply for the 2007–08 fiscal year and for each  
 3 fiscal year thereafter.

4 (n) *The amendments made to this section by the act that added*  
 5 *this subdivision apply for the 2010–11 fiscal year and for each*  
 6 *fiscal year thereafter.*

7 SEC. 2. Section 100.96 is added to the Revenue and Taxation  
 8 Code, to read:

9 100.96. (a) Notwithstanding any other law, for the 2011–12  
 10 fiscal year and each fiscal year thereafter, all of the following shall  
 11 apply:

12 (1) The revenue from the property tax assessed on qualified  
 13 property, which is owned by a public utility and assessed by the  
 14 State Board of Equalization, shall be allocated in accordance with  
 15 subdivision (b) entirely within the county in which the qualified  
 16 property is located.

17 (2) The tax rate applied to the assessed value of qualified  
 18 property shall be the rate calculated pursuant to subdivision (b) of  
 19 Section 100.

20 (b) The county auditor shall do both of the following with  
 21 respect to the property tax revenues derived from applying the tax  
 22 rate described in subdivision (b) of Section 100 to the qualified  
 23 property:

24 (1) Allocate the property tax revenues derived from applying  
 25 the tax rate described in paragraph (1) of subdivision (b) of Section  
 26 100 as follows:

27 (A) First, to the county in which the qualified property is located  
 28 and to all of the school entities located in that county, the amount  
 29 of property tax revenues that would have otherwise been allocated  
 30 to the county and school entities or districts had this section not  
 31 been enacted.

32 (B) Second, to the East Contra Costa Fire Protection District,  
 33 an amount equal to 2 percent of the property tax revenues.

34 (C) *Third, to any special district formed pursuant to Article 3*  
 35 *(commencing with Section 5500) of Chapter 3 of Division 5 of the*  
 36 *Public Resources Code, an amount of property tax revenues equal*  
 37 *to the amount of property tax revenues allocated to that special*  
 38 *district in the 2010–11 fiscal year.*

39 ~~(C) (i) Third,~~

1 (D) *Fourth*, to the redevelopment agency governing the project  
2 area in which the qualified property is located, the balance of the  
3 property tax revenues, ~~which shall be included in that~~  
4 ~~redevelopment agency's tax increment for the year.~~

5 (ii) ~~The property tax revenues allocated to the redevelopment~~  
6 ~~agency pursuant to clause (i) shall not be construed as either of~~  
7 ~~the following:~~

8 (I) ~~Property tax revenues allocated to the redevelopment agency~~  
9 ~~pursuant to Section 33670 of the Health and Safety Code.~~

10 (II) ~~Property tax increment for purposes of Sections 33401,~~  
11 ~~33607, 33607.5, 33607.7, 33670, or 33676 of the Health and Safety~~  
12 ~~Code.~~

13 (2) Allocate the property tax revenues derived from applying  
14 the tax rate described in paragraph (2) of subdivision (b) of Section  
15 100 as follows:

16 (A) First, to taxing jurisdictions in those tax rate areas in the  
17 county in which the qualified property is located, an amount  
18 equivalent to the State Board of Equalization's assessed value of  
19 the qualified property for the year multiplied by any override rate  
20 adopted by the local agency for the year.

21 (B) Second, the balance to taxing jurisdictions in accordance  
22 with subdivision (d) of Section 100.

23 (3) In order to make the allocations required by this subdivision,  
24 the county auditor shall make any necessary pro rata reductions  
25 in the allocations of property tax revenues attributable to the  
26 qualified property to jurisdictions other than those receiving an  
27 allocation under this subdivision.

28 (c) The Oakley Redevelopment Agency shall reimburse the  
29 county auditor for the actual and reasonable costs incurred by the  
30 county auditor to administer this section.

31 (d) For purposes of this section, all of the following shall apply:

32 (1) "Qualified property" means both of the following:

33 (A) All plant and associated equipment, including substation  
34 facilities and fee-owned land and easements, placed in service by  
35 a public utility in the Oakley Redevelopment Project Area on or  
36 after January 1, 2011, and related to the following:

37 (i) Electrical substation facilities that meet either of the  
38 following conditions:

39 (I) The high-side voltage of the facility's transformer is 50,000  
40 volts or more.

1 (II) The substation facilities are operated at 50,000 volts or  
 2 more.

3 (ii) Electric generation facilities that have a nameplate generating  
 4 capacity of 50 megawatts or more.

5 (iii) Electric transmission line facilities of 200,000 volts or more.

6 (B) Any additions, modifications, reconductoring, or equivalent  
 7 replacements to the plant and associated equipment made after the  
 8 plant and associated equipment are placed into service.

9 (2) A public utility shall provide to the State Board of  
 10 Equalization a description of the qualified property in the form  
 11 prescribed by the board so that separate valuation can be  
 12 determined. The State Board of Equalization shall transmit to the  
 13 auditor of Contra Costa County the information necessary to  
 14 identify the qualified property and the corresponding assessed  
 15 value data necessary to make the property tax revenue allocations  
 16 required by this section.

17 SEC. 3. The Legislature finds and declares that a special law  
 18 is necessary, and that a general law cannot be made applicable  
 19 within the meaning of Section 16 of Article IV of the California  
 20 Constitution, in order to ensure that the Oakley Redevelopment  
 21 Agency receives sufficient tax increment funding to repay loans,  
 22 or moneys advanced to, or indebtedness incurred by, the  
 23 redevelopment agency to finance or refinance redevelopment  
 24 projects.

25 *SEC. 4. Section 1.5 of this bill incorporates amendments to*  
 26 *Section 100 of the Revenue and Taxation Code proposed by this*  
 27 *bill and AB 308. It shall only become operative if (1) both bills*  
 28 *are enacted and become effective on or before January 1, 2011,*  
 29 *(2) each bill amends Section 100 of the Revenue and Taxation*  
 30 *Code, and (3) this bill is enacted after AB 308, in which case*  
 31 *Section 100 of the Revenue and Taxation Code, as amended by*  
 32 *AB 308, shall remain operative only until the operative date of*  
 33 *this bill, at which time Section 1.5 of this bill shall become*  
 34 *operative, and Section 1 of this bill shall not become operative.*

35 ~~SEC. 4.~~

36 SEC. 5. No reimbursement is required by this act pursuant to  
 37 Section 6 of Article XIII B of the California Constitution because  
 38 this act provides for reimbursement to a local agency in the form  
 39 of additional revenues that are sufficient in amount to fund the



- 1 new duties established by this act, within the meaning of Section
- 2 17556 of the Government Code.

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