COUNTY OF GLENN
AGENDA ITEM TRANSMITTAL

MEETING DATE: September 19, 2017
Submitting Department(s):
Board of Supervisors – Supervisor

BRIEF SUBJECT/ISSUE DESCRIPTION:
Form an AdHoc Committee to negotiate a Master Property Tax Exchange Agreement with the City of Orland and City of Willows.

Contact: John K. Viegas
Phone: 934-6400

AGENDA PLACEMENT

ATTACHMENTS
☐ Board Report
☐ Letter
☐ Minute Order
☐ Contract
☐ Transfer
☐ Grant App.
☐ Resolution
☐ Ordinance
☐ Proclamation
☐ Policy Update
☐ Code Update
☐ Other
☐ Revenue & Taxation Code 99

LEGAL/PERSONNEL/FISCAL
☐ County Counsel
☐ Personnel
☐ Finance

CLERK INSTRUCTIONS
☐ Return Minute Order
☐ Return Certified Copy Of:
☐ Other:

Required ___ Minutes
☐ Business – No ☐ Consent
☐ Correspondence ☐ Reports & Notices
☐ Other:

☐ Receive Concurrence

PUBLIC HEARINGS & COMMITTEE VACANCIES

Public Hearings:
☐ Published
☐ Affidavit on File w/Clerk
☐ Affected Parties Notified

Committees:
☐ Vacancy Posted
☐ Application Attached

LEGISLATION
☐ State ☐ Federal

Bill#: _
☐ Latest Version of Bill
☐ Draft Letter Attached
☐ List of Supporters/Opposers
☐ Statement of Relevance to County Interests
☐ Description Attached

FUNDING SOURCE/IMPACT
☐ General Fund Impact
☐ Other:
☐ Budgeted
☐ Transfer Attached
☐ 4/5ths Vote Required
☐ Contingency Request

CONTRACTS, LEASES & AGREEMENTS
☐ New ☐ Renewal
☐ Amendment
☐ Insurance Certificate
☐ Contract Report

Date of Original Contract:
Contract No.:
Fiscal Year:

RECOMMENDED ACTION/MOTION:
Recommendation of Supervisor Viegas to form an AdHoc Committee to negotiate a Master Property Tax Exchange Agreement with the City of Orland and City of Willows.

Reviewed By (if applicable):

Department Head

Personnel Director

Department of Finance
TO: Honorable Board Members  
FROM: John K. Viegas – District 1 Supervisor  
DATE: September 19, 2017  
SUBJECT: Master Property Tax Exchange Agreement

EXECUTIVE SUMMARY
The City of Orland Manager has requested that a tax sharing agreement be negotiated between the City and the County for some annexation projects in Orland. To accomplish this task, I recommend that an AdHoc Committee be formed to negotiate a Master Property Tax Exchange Agreement with the City of Willows and City of Orland so that the County will have something in place for now and into the future.

RECOMMENDATION(S):
Recommendation of Supervisor Viegas to form an AdHoc Committee to negotiate a Master Property Tax Exchange Agreement with the City of Orland and City of Willows.

HISTORY AND BACKGROUND:
The County has entered into many Tax Sharing Agreements, the most recent being the City of Orland Travel Plaza Annexation and the City of Orland Modoc Annexation. In order for annexations to occur, a tax sharing agreement for the annexed property must be approved by both the County and the requesting City. Discussions have occurred regarding negotiating a master property tax exchange agreement rather than negotiating each annexation individually.

FISCAL/PERSOONEL IMPACT(S):
To be considered in the negotiations with the Cities will be:
   a. Ad valorem property tax
   b. Sales and Use tax
   c. Transient Occupancy Tax
   d. Developmental Impact Fees
   e. Any other taxes or fees

ANALYSIS/DISCUSSION
Due to not having a master property tax exchange agreement in place, Revenue & Taxation Code Section 99 (attached) applies and affected agencies must agree on the manner in which property taxes will be reallocated. The Department of Finance has the responsibility to provide certain information to LAFCO, the affected agencies and County Administration. The County Board of Supervisors is required to adopt a resolution approving the property tax exchange. Such approval is required prior to LAFCO issuing a certificate of filing for an application and proceeding with the consideration of an annexation.
REVENUE AND TAXATION CODE - RTC
ARTICLE 5. Jurisdictional Changes and Negotiated Transfers [99 - 99.3]
( Article 5 added by Stats. 1994, Ch. 1167, Sec. 3. )

99.
(a) For the purposes of the computations required by this chapter:
(1) In the case of a jurisdictional change, other than a city incorporation, city disincorporation, or a formation of a district as defined in Section 2215, the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 96.1, or the annual tax increment determined pursuant to Section 96.5, for local agencies whose service area or service responsibility would be altered by the jurisdictional change, as determined pursuant to subdivision (b) or (c).
(2) In the case of a city incorporation or disincorporation, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code and the adjustments in tax revenues that may occur pursuant to Section 56815 of the Government Code to the newly formed city or district and shall make the adjustment as determined by Section 56810 or 56813 in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the incorporation.
(3) In the case of a formation of a district as defined in Section 2215, the auditor shall assign the allocation of property tax revenues determined pursuant to Section 56810 of the Government Code to the district and shall make the adjustment as determined by Section 56810, or for the disincorporated city or dissolved district as determined by Section 56813, in the allocation of property tax revenue determined pursuant to Section 96 or 96.1 for each local agency whose service area or service responsibilities would be altered by the change of organization.
(b) Upon the filing of an application or a resolution pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Division 3 (commencing with Section 56000) of Title 5 of the Government Code), but prior to the issuance of a certificate of filing, the executive officer shall give notice of the filing to the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change.
(1) (A) The county assessor shall provide to the county auditor, within 30 days of the notice of filing, a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.
(B) The auditor shall estimate the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change during the current fiscal year.
(2) The auditor shall estimate what proportion of the property tax revenue determined pursuant to paragraph (1) is attributable to each local agency pursuant to Sections 96.1 and 96.5.
(3) Within 45 days of notice of the filing of an application or resolution, the auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the jurisdictional change of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) that is subject to a negotiated exchange.
(4) Upon receipt of the estimates pursuant to paragraph (3), the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the county auditor, and the local agency formation commission in writing of its desire to extend the negotiating period, the negotiating period shall be 90 days.
The exchange may be limited to an exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years.
(5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues. Prior to entering into negotiation on
behalf of a district for the exchange of property tax revenue, the board shall consult with the affected district. The consultation shall include, at a minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

(6) Notwithstanding any other provision of law, the executive officer shall not issue a certificate of filing pursuant to Section 56658 of the Government Code until the local agencies included in the property tax revenue exchange negotiation, within the negotiation period, present resolutions adopted by each such county and city whereby each county and city agrees to accept the exchange of property tax revenues.

(7) In the event that the commission modifies the proposal or its resolution of determination, any local agency whose service area or service responsibility would be altered by the proposed jurisdictional change may request, and the executive officer shall grant, 30 days for the affected agencies, pursuant to paragraph (4), to renegotiate an exchange of property tax revenues. Notwithstanding the time period specified in paragraph (4), if the resolutions required pursuant to paragraph (6) are not presented to the executive officer within the 30-day period, all proceedings of the jurisdictional change shall automatically be terminated.

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

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

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

For purposes of this paragraph, a qualified annexation of unincorporated territory means an annexation, as so described, for which an application or a resolution was filed on or after January 1, 1998, and on or before January 1, 2021.

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

(c) Whenever a jurisdictional change is not required to be reviewed and approved by a local agency formation commission, the local agencies whose service area or service responsibilities would be altered by the proposed change, shall give notice to the State Board of Equalization and the assessor and auditor of each county within which the territory subject to the jurisdictional change is located. This notice shall specify each local agency whose service area or responsibility will be altered by the jurisdictional change and request the auditor and assessor to make the determinations required pursuant to paragraphs (1) and (2) of subdivision (b). Upon notification by the auditor of the amount of, and allocation factors with respect to, property tax subject to exchange, the local agencies, pursuant to the provisions of paragraphs (4) and (5) of subdivision (b), shall determine the amount of property tax revenues to be exchanged between and among the local agencies. Notwithstanding any other provision of law, no such jurisdictional change shall become effective until each county and city included in these negotiations agrees, by resolution, to accept the negotiated exchange of property tax revenues. The exchange may be limited to an exchange of property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years. Upon the adoption of the resolutions required pursuant to this section, the adopting agencies shall notify the auditor who shall make the appropriate adjustments as provided in subdivision (a).

Adjustments in property tax allocations made as the result of a city or library district withdrawing from a county free library system pursuant to Section 191116 of the Education Code shall be made pursuant to Section 191116 of the Education Code, and this subdivision shall not apply.

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

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

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

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

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

(2) Proceedings under this subdivision shall be concluded no more than 150 days after the auditor provides the notification pursuant to paragraph (3) of subdivision (b), unless one of the periods specified in this subdivision is extended by the mutual agreement of the city and the county. Notwithstanding any other provision of law, except for those conditions that are necessary to implement an exchange of property tax revenues determined pursuant to this subdivision, the local agency formation commission shall not impose any fiscal conditions upon a city’s qualified annexation of unincorporated territory that is subject to this subdivision.

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

(g) For the purpose of determining the amount of property tax to be allocated in the 1979–80 fiscal year and each fiscal year thereafter, for a city incorporation that was filed pursuant to Sections 54900 to 54904, inclusive, of the Government Code after January 1, 1978, but on or before January 1, 1979, the amount of property tax revenue considered to have been received by the jurisdiction for the 1978–79 fiscal year shall be equal to two-thirds of the amount of property tax revenue projected in the final local agency formation commission staff report pertaining to the incorporation multiplied by the proportion that the total amount of property tax revenue received by all jurisdictions within the county for the 1978–79 fiscal year bears to the total amount of property tax revenue received by all jurisdictions within the county for the 1977–78 fiscal year. Except, however, in the event that the final commission report did not specify the amount of property tax revenue projected for that incorporation, the commission shall by October 10 determine pursuant to Section 54790.3 of the Government Code the amount of property tax to be transferred to the city.

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

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

(i) For the purposes of the computations required by this chapter, in the case of a jurisdictional change, other than a change requiring an adjustment by the auditor pursuant to subdivision (a), the auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96 or 98.1 or its predecessor section, or the annual tax increment determined pursuant to Section 96.5 or its predecessor section, for each local school district, community college district, or county superintendent of schools whose service area or service responsibility would be altered by the jurisdictional change, as determined as follows:
(1) The governing body of each district, county superintendent of schools, or county whose service areas or service responsibilities would be altered by the change shall determine the amount of property tax revenues to be exchanged between and among the affected jurisdictions. This determination shall be adopted by each affected jurisdiction by resolution. For the purpose of negotiation, the county auditor shall furnish the parties and the county board of education with an estimate of the property tax revenue subject to negotiation.

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

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

(i) For purposes of subdivision (i), the annexation by a community college district of territory within a county not previously served by a community college district is an alteration of service area. The community college district and the county shall negotiate the amount, if any, of property tax revenues to be exchanged. In these negotiations, there shall be taken into consideration the amount of revenue received from the timber yield tax and forest reserve receipts by the community college district in the area not previously served. In no event shall the property tax revenue to be exchanged exceed the amount of property tax revenue collected prior to the annexation for the purposes of paying tuition expenses of residents enrolled in the community college district, adjusted each year by the percentage change in population and the percentage change in the cost of living, or per capita personal income, whichever is lower, less the amount of revenue received by the community college district in the annexed area from the timber yield tax and forest reserve receipts.

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

99.01.

(a) For the purposes of Section 99, in the case of a jurisdictional change that will result in a special district providing one or more services to an area where those services have not been previously provided by any local agency, the following shall apply:

(1) The special district referred to in this subdivision and each local agency that receives an apportionment of property tax revenue from the area shall be considered local agencies whose service area or service responsibility will be altered by the jurisdictional change.

(2) The exchange of property tax revenue among those local agencies shall be limited to property tax revenue from the annual tax increment generated in the area subject to the jurisdictional change and attributable to those local agencies.

(3) Notwithstanding the provisions of paragraph (5) of subdivision (b) of Section 99, any special district affected by the jurisdictional change may negotiate on its own behalf, if it so chooses.

(4) If a special district involved in the negotiation (other than the district which will provide one or more services to the area where those services have not been previously provided) fails to adopt a resolution providing for the exchange of property tax revenue, the board of supervisors of the county in the area subject to the jurisdictional change is located shall determine the exchange of property tax revenue for that special district.

(b) The provisions of subdivisions (a), (b), (c), (d), and (j) of Section 99 not in conflict with this section shall apply. The jurisdictional changes described in subdivisions (e), (f), (g), (h), and (i) of Section 99 shall not be affected by the provisions of this section.

99.02.

(a) For the purposes of the computations required by this chapter for the 1965–66 fiscal year and fiscal years thereafter, in the case of any transfer of property tax revenues between local agencies that is adopted and approved in conformity with subdivisions (b) and (c), the auditor shall adjust the allocation of property tax revenue
determined pursuant to Section 96.1 or its predecessor section, or the annual tax increment determined pursuant to Section 96.5 or its predecessor section, for those local agencies whose allocation would be altered by the transfer.

(b) Commencing with the 1985–86 fiscal year, any local agency may, by the adoption of a resolution of its governing body or governing board, determine to transfer any portion of its property tax revenues that is allocable to one or more tax rate areas within the local agency to one or more other local agencies having the same tax rate area or tax rate areas. Upon the local agency's adoption of the resolution, the local agency shall notify the board of supervisors of the county or the city council of the city within which the transfer of property tax revenues is proposed.

(c) If the board of supervisors or the city council concurs with the proposed transfer of property tax revenue, the board or council shall, by resolution, notify the county auditor of the approved transfer.

(d) Upon receipt of notification from the board of supervisors or the city council, the county auditor shall make the necessary adjustments specified in subdivision (a).

(e) Prior to the adoption or approval by any local agency of a transfer of property tax revenues pursuant to this section, each local agency that will be affected by the proposed transfer shall hold a public hearing to consider the effect of the proposed transfer on fees, charges, assessments, taxes, or other revenues. Notice of the hearing shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within each affected local agency.

(f) No local agency shall transfer property tax revenue pursuant to this section unless each of the following conditions exists:

1. The transferring agency determines that revenues are available for this purpose.
2. The transfer will not result in any increase in the ratio between the amount of revenues of the transferring agency that are generated by regulatory licenses, use charges, user fees, or assessments and the amount of revenues of the transferring agency used to finance services provided by the transferring agency.
3. The transfer will not impair the ability of the transferring agency to provide existing services.
4. The transfer will not result in a reduction of property tax revenues to school entities.

99.03.

(a) For the purposes of Section 99, in the case of a jurisdictional change that results in a qualifying city, as defined in Section 98, providing its own fire protection services in accordance with Section 25643 of the Government Code in lieu of the county providing those services, the negotiated exchange of property tax revenues between the county and the qualifying city pursuant to subdivision (c) of Section 99 as a result of that jurisdictional change may also provide for a negotiated adjustment in the amount of property tax revenue distributed by the auditor to the qualifying city in accordance with Section 98. The negotiated adjustment may be made in any amount that does not exceed the amount of property tax revenue exchanged between the county and the qualifying city.

(b) This section applies only to exchanges of property tax revenue affecting the County of Riverside and qualifying cities within that county.

99.1.

(a) For the purposes of the computations required by this chapter for the 1986–87 fiscal year and fiscal years thereafter, in the case of any transfer of property tax revenues between local agencies that is adopted and approved in conformity with subdivisions (b) and (c), the county auditor shall adjust the allocation of property tax revenue determined pursuant to Section 96.1 or its predecessor section, or the annual tax increment determined pursuant to Section 96.5 or its predecessor section, for those local agencies whose allocation would be altered by the transfer.

(b) Commencing with the 1986–87 fiscal year or any fiscal year thereafter, a local agency may, by the adoption of a resolution of its governing board, determine to exchange any portion of its property tax revenues that is allocable to one or more tax rate areas, with one or more other local agencies having the same tax rate area or tax rate areas. Upon the adoption of the resolution, the governing board of the local agency shall notify the board of supervisors of the affected county.
If the transfer of property tax revenues will alter the property tax revenue allocation of a city, the governing board of the local agency shall, upon adoption of the resolution, also notify the affected city.

(c) If the board of supervisors of the affected county concurs with the proposed exchange of property tax revenues, it shall, by resolution, approve the exchange and notify the county auditor. If the property tax allocation of a city would be affected by the exchange, the board shall not notify the county auditor pursuant to this subdivision until the city council of the affected city has, by resolution, approved the proposed exchange of property tax revenues.

(d) Upon receipt of notification from the board of supervisors pursuant to subdivision (c), the county auditor shall make the necessary adjustments specified in subdivision (a).

(e) Prior to the adoption by the governing board of a local agency of a resolution pursuant to subdivision (b), the local agency shall hold a public hearing to consider the effect of the proposed transfer. Notice of the hearing shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within the local agency.

(f) No local agency shall reallocate property tax revenue pursuant to this section unless the transfer will not result in any increase in the ratio between the amount of revenues of the transferring agency that are generated by regulatory licenses, use charges, user fees, or assessments and the amount of revenues of the transferring agency used to finance services provided by it.

(g) This section applies only to exchanges affecting the Ventura Regional Sanitation District located within the County of Ventura.

99.2.

No amendment made by any chapter of the Statutes of 1980, or any year thereafter, to Section 99 of the Revenue and Taxation Code shall be construed, except as expressly provided therein, to apply to a jurisdictional change initiated, pursuant to the applicable provisions of law governing those jurisdictional changes, prior to the effective date of the amendment. The provisions of Section 99 of the Revenue and Taxation Code in effect at the time the jurisdictional change is initiated shall govern the procedures for, and exchange of, property tax revenues between local agencies whose service area or service responsibility would be altered by that jurisdictional change, provided that there shall be no duty to impound any property tax revenues.

99.3.

(a) The plan for financing services that is included with a resolution of application for change of organization or reorganization filed by a local agency pursuant to Section 56653 of the Government Code for a disadvantaged, unincorporated community may include an annexation development plan that has been adopted pursuant to subdivision (c).

(b) For purposes of this section, the following definitions apply:

1. "Local agency" means a local agency as defined by subdivision (a) of Section 95, and does not include any school entity as defined in subdivision (f) of Section 95.

2. "Consenting local agency" means a local agency that has adopted a resolution of its governing body consenting to the annexation development plan.

3. "Territory" means all or part of the land that is included in the resolution of application for change of organization or reorganization filed by the local agency.

4. "Certificate of completion" is defined as provided in Section 56020.5 of the Government Code.

5. "Disadvantaged, unincorporated community" is defined as provided in Section 56033.5 of the Government Code.

(c) A local agency that files a resolution of application for a change of organization or reorganization, and one or more other consenting local agencies that will improve or upgrade structures to serve a disadvantaged, unincorporated community subject to that resolution of application, may agree on an annexation development plan for financing services and structures pursuant to this section.

(d) The annexation development plan agreed upon pursuant to subdivision (c) may contain a provision that taxes levied upon taxable property in the area included within the territory each year by or for the benefit of the local
agency and one or more other consenting local agencies that consent to the annexation development plan, be
divided as follows:
(1) That portion of the taxes that would have been produced by the rate upon which the tax is levied each year by or
for each of the consenting local agencies upon the total sum of the assessed value of the taxable property in the
territory as shown upon the assessment roll used in connection with the taxation of the property by the consenting
local agency, last equalized prior to the effective date of the certification of completion, and that portion of taxes by
or for each school entity, shall be allocated to, and when collected shall be paid to, the respective consenting local
agencies and school entities as taxes by or for the consenting local agencies and school entities on all property are
paid.
(2) That portion of the levied taxes each year specified in the annexation development plan adopted pursuant to
subdivision (c) for the city and each consenting local agency that has agreed to participate pursuant to this section,
in excess of the amount specified in paragraph (1), shall be allocated to, and when collected shall be paid into a
special fund of a special district formed or reorganized with the special district's consent pursuant to subdivision (c)
of Section 56653 of the Government Code that will finance the infrastructure improvements, including, but not
limited to, water, wastewater, and stormwater systems and local streets, roads, and sidewalks, to serve the
disadvantaged, unincorporated community. A consenting local agency may advance funds to the special district
that is formed or reorganized pursuant to paragraph (2) of subdivision (c) of Section 56653 of the Government
Code. The special district shall use those advanced funds solely for the purposes specified in the annexation
development plan adopted pursuant to subdivision (c) and shall repay the consenting local agency with revenue
from the taxes received pursuant to this subdivision.
(e) An annexation development plan adopted pursuant to subdivision (c) shall specify a date upon which the
division of taxes described in subdivision (d) shall terminate.
(f) An annexation development plan adopted pursuant to subdivision (c) may include a provision for the issuance of
indebtedness. Any indebtedness shall be issued in conformity with Articles 4.5 (commencing with Section 53506)
and 5 (commencing with Section 53510) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code or
the principal act of the special district.
(g) An annexation development plan adopted pursuant to subdivision (c) shall not result in a reduction of property
tax revenues allocated to any school entity as defined in subdivision (f) of Section 95.
(h) Any plan adopted pursuant to this section shall not include any portion of a redevelopment project area which is
or has been previously created pursuant to Part 1 (commencing with Section 33000) of Division 24 of the Health
and Safety Code.
(i) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.