

**PROPERTY TAX REVENUE SHARING AGREEMENT BETWEEN  
TUOLUMNE COUNTY,  
THE TUOLUMNE PARK AND RECREATION DISTRICT,  
AND  
THE TUOLUMNE CITY SANITARY DISTRICT  
FOR THE FORMATION OF  
THE TUOLUMNE COMMUNITY SERVICES DISTRICT**

This Property Tax Sharing Agreement ("Agreement") is made in triplicate by and between TUOLUMNE COUNTY, a charter county and political subdivision of the State of California, (hereinafter referred to as "COUNTY") and the TUOLUMNE PARK AND RECREATION DISTRICT, a special district formed under California Public Resources Code § 5780 et seq. (hereinafter referred to as "TPRD"), and the TUOLUMNE CITY SANITARY DISTRICT, a special district formed under California Health & Safety Code § 6400 et seq. (hereinafter referred to as "TCSD"), and hereinafter collectively referred to as the "PARTIES."

**RECITALS**

- A. Tuolumne County ("County") currently provides local government services to the unincorporated community of Tuolumne also known as Tuolumne City (hereinafter "Tuolumne City"). In addition, the COUNTY Board of Supervisors acting as the Board of Directors of the Tuolumne Street Lighting District currently provides Street Lighting services within its' service area within Tuolumne City. The Tuolumne Park and Recreation District (TPRD) currently provides park and recreation program services to Tuolumne City and adjacent areas. The Tuolumne City Sanitary District (TCSD) currently provides sewage collection, treatment, and disposal services within its' service area within Tuolumne City.
- B. Revenue and Taxation Code § 99.1 et seq. requires an agency seeking to annex property and the agency affected by such annexation to agree upon a property tax revenue exchange.
- C. The PARTIES wish to work together to develop a fair and equitable approach to the sharing of Property Tax Revenue within both the Annexation Area defined in Section 3 of this Agreement (hereinafter "Annexation Area"). In addition, the PARTIES recognize the Tuolumne Street Lighting District should be placed under local control within the Tuolumne Community Services District.
- D. The PARTIES further recognize that an equitable distribution of property taxes is necessary to ensure viable and cost-effective service delivery to the parcels identified in this agreement. The PARTIES recognize and agree that the COUNTY provides and will continue to provide local government services to Tuolumne City unless such services are authorized by the County to be performed by another local agency, that TPRD provides and will continue to provide park and recreation services to Tuolumne City and that the TCSD provides and will continue to provide sewer services to Tuolumne City.
- E. The affected Tax Rate Areas (TRA) which includes all *Base Property Tax Levies* and *Incremental Property Tax Levies* available from the Annexation Area shall be distributed in accordance with the current *Base Property Tax Levies* and *Incremental Property Tax Levies* assigned to the County, TPRD, and TCSD. The PARTIES agree that the *Property Tax Levies* currently assigned to the individual agencies shall remain unchanged upon the formation of the Tuolumne Community Services District. Provided, however, in accordance with Section 12 of this agreement, on the transfer of the Tuolumne City Street Lighting District from the COUNTY to the Tuolumne Community Services District, the County will transfer

all Tuolumne Street Lighting District *Base Property Tax Levies* and *Incremental Property Tax Levies* available from the Annexation Area to the new Community Services District.

## AGREEMENT

**NOW, THEREFORE**, the PARTIES agree as follows:

SECTION 1. Incorporation of Recitals. The PARTIES agree that the Recitals, above, constitute the factual basis upon which the County, TPRD and TCSD have entered into this Agreement. The COUNTY, TPRD and TCSD each acknowledge the accuracy of the Recitals and agree that the Recitals are incorporated into this Agreement as though fully set forth herein at length.

SECTION 2. Property Tax Revenue. "Property Tax Revenue" shall mean "ad valorem real property taxes on real property" as said term is used in Section 1 of Article 13A of the California Constitution and more particularly defined in subsection (c) of Section 95 of the California Revenue and Taxation Code, and includes both the *Base* (total amount of property tax revenue based upon the AB-8 gross levy for the fiscal year) and the *Incremental* (amount of property tax revenue attributable to the annual tax increment change in assessed valuation in each fiscal) property tax revenues.

SECTION 3. Annexation Area. "Annexation Area" shall mean those parcels identified in the attached "EXHIBIT A" which include parcels within the Tuolumne Street Lighting District, TPRD service area and the TCSD service area.

SECTION 4. Annexation Date. "Annexation Date" shall mean the date specified by the Cortese-Knox Local Governmental Reorganization Act of 1985 (Government Code § 56000, et seq.) as the effective date of approval of this Agreement, or as determined by the Tuolumne County Local Agency Formation Commission.

SECTION 5. General Purpose of Agreement. The general purpose of this Agreement is to devise an equitable exchange of Property Tax Revenue between the COUNTY, TPRD, and the TCSD on and after the Annexation Date as required by Government Code § 56815 and Revenue and Taxation Code § 99.

SECTION 6. Establishment of Separate Tax Rate Area. After the Annexation Date and if necessary, the Tuolumne County Auditor will work with the State Board of Equalization to establish a separate, new, or distinct Tax Rate Area (TRA) for the Annexation Area prior to allocation and distribution of Property Tax Revenue under this Agreement. For purposes of establishing the new or revised TRA and setting the AB-8 calculation, the increment factor for each PARTY will be 100% of the revenue received as if calculated prior to the annexation. The Tuolumne County Auditor will report to the PARTIES the actual amount of the Ad Valorem Property Tax Revenue levied from the TRA pursuant to this agreement.

SECTION 7. Bases for Calculating Property Tax Revenue. The formula used in establishing the cost-sharing for property tax is as follows: each agency shall receive property taxes based on the percentage received prior to the consolidation of services under the Tuolumne Community Services District formation.

SECTION 8. Exchange of Property Tax Revenue. The COUNTY, TPRD, and the TCSD shall exchange Property Tax Revenue as follows:

Commencing the first day of the fiscal year after the new TRA(s) appears on the State Board of Equalization's Tax Rate Area Chart, COUNTY shall receive the same percentage of property tax revenue for each parcel within its' jurisdiction and the Tuolumne Community Services District shall receive the combined percentage of property taxes for the TPRD and TCSD as previously received prior to the consolidation.

SECTION 9. Levies, Fees, and Charges. The agreement covers property taxes only. The collection of other levies, fees, and charges, including, but not limited to, service charges, connection fees, special tax levies, capital facility fees and other miscellaneous charges are the individual responsibilities of COUNTY, TPRD, and TCSD.

SECTION 10. Exchange by Tuolumne County Auditor. The COUNTY and the TCSD further agree that all of the exchanges of property taxes required by this Agreement shall be made by the Tuolumne County Auditor.

SECTION 11. Modification. This Agreement may only be modified or amended in writing duly authorized and executed by all of the PARTIES.

SECTION 12. Tuolumne Street Lighting District Transfer. The COUNTY agrees to transfer the responsibilities to operate, maintain and manage the Tuolumne Street Lighting District, including all current and future funds and assets, to the Tuolumne Community Services District. Such transfer shall take place effective the sooner of January 1 following completion of the *Tuolumne City Underground Utility Project*, such other date as mutually agreed to by the PARTIES, or on the first January 1 following five (5) years after the effective date of the formation of the Tuolumne Community Services District.

SECTION 13. Effect of Tax Exchange Agreement. This Agreement shall be applicable solely to the Annexation Area and does not constitute a master tax sharing agreement or an agreement on property tax exchanges which may be required for any future annexation between the PARTIES.

SECTION 14. Entire Agreement. With respect to the Annexation Area only, this Agreement supersedes any and all previous negotiations, proposals, commitments, writings, and understandings between the COUNTY and the TPRD and the TCSD with respect to the sharing of Property Tax Revenue for the Annexation Area.

SECTION 15. Notices. All notices, requests, certifications, or other correspondence provided by the PARTIES to this Agreement shall be in writing and shall be personally delivered or delivered by first class mail to the respective PARTIES at the following addresses:

<u>COUNTY</u>	<u>TPRD</u>	<u>TCSD</u>
Tuolumne County Tuolumne County Admin. Building 2 S. Green Street Sonora, CA 95370	Tuolumne Park & Recreation District 18603 Pine Street Tuolumne, CA 95379	Tuolumne City Sanitary District P.O. Box 1238 (18050 Box Factory Road – personal delivery) Tuolumne, CA 95379
Attention: Board of Supervisors	Attention: Board of Directors	Attention: General Manager

Notice by personal delivery shall be effective immediately upon delivery. Notice by mail shall be effective upon receipt or three (3) days after mailing, whichever is earlier.

SECTION 16. Agreement or Consent. Wherever this Agreement requires a PARTY'S agreement or consent, the PARTY shall make its decision to give or withhold such agreement or consent in good faith and shall not withhold such agreement unreasonably or without good cause.

SECTION 17. Construction of Captions. Captions of the sections of this Agreement are for convenience and reference only. The words in the captions in no way explain, modify, amplify, or interpret this Agreement.

SECTION 18. Effective Date. The TUOLUMNE COUNTY BOARD OF SUPERVISORS has authorized the execution of this Agreement by its Board of Supervisors, the TUOLUMNE PARK & RECREATION DISTRICT has authorized the execution of this Agreement by its Board of Directors, and the TUOLUMNE CITY SANITARY DISTRICT has authorized its execution by its Board of Directors, on the dates set forth below. The Effective Date of this Agreement shall be the date approved by the third signatory of this agreement.

IN WITNESS WHEREOF, COUNTY, TPRD, and TCSD have executed this Agreement effective as of

**Tuolumne Park and Recreation**

**Tuolumne City Sanitary District**

By:   
Jake Feriani  
President, Board of Directors

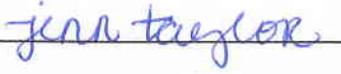
By:   
John Feriani  
President, Board of Directors

Date: September 14, 2022

Date: September 7, 2022

ATTEST:

ATTEST:

By:   
Executive Secretary/Board Clerk  
Tuolumne Park & Recreation District

By:   
Brenda Bonillo  
District Secretary/Office Manager  
Tuolumne City Sanitary District

Approved as to Form:

Approved as to Form:

By: \_\_\_\_\_  
Legal Counsel

By: \_\_\_\_\_  
Daniel J. Schroeder  
Legal Counsel

**Tuolumne County**

By: \_\_\_\_\_  
Daniel Anaiah Kirk, Chair  
Board of Supervisors

Date: \_\_\_\_\_

ATTEST:

By: \_\_\_\_\_  
Heather Ryan  
Clerk of the Board of Supervisors

Approved as to Form:

By: \_\_\_\_\_  
Sarah Carrillo  
County Counsel