

DISTRICT OFFICE
1 676 NORTH CALIFORNIA BLVD.

SUITE 690
WALNUT CREEK. CA 94596

WAYS AND MEANS

SUBCOMMITTEE ON PUBLIC
EMPLOYEES AND BONDED

INDEBTEDNESS

JOINT BUDGET COMMITTEE
GOVERNMENTAL
ORGANIZATION

COMMITTEES

ELECTIONS. REAPPORTIONMENT

AND CONSTITUTIONAL
AMENDMENTS

COMMISSION ON STATE

Assembly

California Legislature



WILLIAM P. BAKER
ASSEMBLYMAN, FIFTEENTH DISTRICT
VICE CHAIRMAN
COMMITTEE ON WAYS AND MEANS FINANCE

October 23 1987

MEMO TO:Members of the Assembly Republican Caucus

FROM: Bill Baker

SUBJECT: No/ Low Property Tax City Revenues (SB 709)

Attached is the 10-year revenue impact projection by the Legislative Analyst's Office for no and low property tax cities pursuant to Senate Bill 709 (Chapter 1211, 1987).

This projection is still being reviewed by the Department of Finance, which has already identified one controversial assumption: the assessed property value is determined in 1987-88 and is not recalculated until the 10-year phase-in is completed. This would have the impact of reduced revenues to the cities because the methodology does not reflect any appreciation of value during the 10-year period. Unless this issue is otherwise resolved, clean-up legislation may be required to clarify the methodology.

Other issues which should be considered in clean-up legislation include :

- a. Consideration of revenue received for services performed by cities that incorporated after 1979.
- b. Schedule for phase-in of revenue shifts to low property tax cities.
- c. Schedule for discontinuance of Motor Vehicle License Fees to no property tax cities.

We are expecting a detailed analysis of the provisions of SB 709 from the Legislative Analyst within the next month. Please contact

Shannon Hood of the Minority Ways and Means Committee staff (445-6817, ATSS 485-6817) if you need assistance in working with the attached chart.

BB :dg

Attachment

SB 709 Property Tax Allocations to Low and No Property Tax Cities
 Assessed Valuation inclusive of RDA increment
 Totals reflect elimination of No Property Tax city VLF subventions (estimated growth at 10% per year)

Legislative Analyst
 October 6, 1987

| City | 0.1% of the | | | | | | | | | | | |
|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 1987-88 | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 |
| | Prop Tax | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue |
| | Share | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer |
| Alameda County | | | | | | | | | | | | |
| Dublin | 930,507 | 645,000 | 0 | 0 | 0 | 0 | 0 | 0 | 6,355 | 99,406 | 192,456 | 285,507 |
| Contra Costa County | | | | | | | | | | | | |
| Clayton | 225,287 | 213,701 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11,586 |
| Danville | 1,888,618 | 1,188,431 | 0 | 0 | 0 | 0 | 0 | 0 | 133,602 | 322,463 | 511,325 | 700,187 |
| Hercules | 617,269 | 452,850 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 40,965 | 102,692 | 164,419 |
| Lafayette* | 1,388,874 | 45,137 | 25,435 | 157,492 | 288,864 | 419,486 | 549,281 | 678,166 | 806,051 | 932,836 | 1,058,412 | 1,182,655 |
| Moraga | 883,347 | 578,713 | 0 | 0 | 0 | 0 | 0 | 0 | 39,630 | 127,965 | 216,299 | 304,634 |
| Orinda | 1,136,432 | 627,282 | 0 | 0 | 0 | 0 | 0 | 54,577 | 168,220 | 281,864 | 395,507 | 509,150 |
| Pleasant Hill* | 1,453,098 | 48,926 | (6,578) | 128,436 | 262,419 | 395,271 | 526,877 | 657,112 | 785,840 | 912,909 | 1,038,155 | 1,161,394 |
| San Pablo | 474,850 | 304,866 | 0 | 0 | 0 | 0 | 0 | 0 | 27,529 | 75,014 | 122,499 | 169,984 |
| San Ramon | 1,827,946 | 1,088,502 | 0 | 0 | 0 | 0 | 0 | 8,266 | 191,060 | 373,855 | 556,649 | 739,444 |
| Total | \$9,895,721 | \$4,548,408 | \$18,857 | \$285,927 | \$551,284 | \$814,757 | \$1,076,158 | \$1,398,121 | \$2,151,932 | \$3,067,871 | \$4,001,539 | \$4,943,453 |
| Del Norte County | | | | | | | | | | | | |
| Crescent City | 107,130 | 99,625 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,505 |
| Humboldt County | | | | | | | | | | | | |
| Fortuna | 209,176 | 153,288 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14,053 | 34,970 | 55,888 |
| Rio Dell | 42,621 | 35,665 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,694 | 6,956 |
| Total | \$251,797 | \$188,953 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,053 | \$37,664 | \$62,844 |
| Kern County | | | | | | | | | | | | |
| Arvin | 85,162 | 22,994 | 0 | 0 | 2,555 | 11,071 | 19,587 | 28,103 | 36,619 | 45,136 | 53,652 | 62,168 |
| Los Angeles County | | | | | | | | | | | | |
| Agoura Hills | 1,303,904 | 863,240 | 0 | 0 | 0 | 0 | 0 | 0 | 49,493 | 179,883 | 310,274 | 440,664 |
| Artesia* | 422,113 | 0 | (23,848) | 11,758 | 46,703 | 80,921 | 114,340 | 146,880 | 178,452 | 208,960 | 238,299 | 266,350 |

0.1% of the
1987-88
A.V.

| | |
|-----------------------|-----------|
| Bell | 486,501 |
| Bell Gardens | 461,732 |
| Bellflower* | 1,335,185 |
| Bradbury | 72,344 |
| Carson* | 4,584,898 |
| Cerritos* | 2,411,445 |
| Commerce* | 1,932,668 |
| Cudahy* | 214,252 |
| Culver City | 2,624,671 |
| Duarte | 583,290 |
| El Segundo | 4,740,111 |
| Hawaiian Gardens | 218,766 |
| Hidden Hills | 198,781 |
| Industry | 2,234,604 |
| Irwindale | 715,235 |
| La Canada Flintridge* | 1,139,395 |
| La Mirada* | 1,514,263 |
| La Puente* | 576,707 |
| Lakewood | 2,212,900 |
| Lancaster* | 2,159,573 |
| Lawndale* | 653,077 |
| Lomita* | 597,647 |
| Montebello | 1,716,039 |
| Norwalk* | 1,935,457 |
| Palmdale* | 1,633,530 |
| Paramount* | 1,004,942 |
| Pico Rivera* | 1,753,512 |
| Rancho Palos Verdes | 2,649,502 |
| Rolling Hills | 299,165 |
| Rolling Hills Estates | 782,852 |
| Rosemead* | 1,181,242 |
| San Dimas | 1,223,249 |

| 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 | | |
|----------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------|------------------|
| Prop Tax Share | Net Revenue Transfer | Net Revenue Transfer | Net Revenue Transfer | Net Revenue Transfer | Net Revenue Transfer | Net Revenue Transfer | Net Revenue Transfer | Net Revenue Transfer | Net Revenue Transfer | Net Revenue Transfer | | |
| 234,947 | 0 | 0 | 0 | 0 | 8,304 | 56,954 | 105,604 | 154,254 | 202,904 | 251,55 | 251,554 | Santa Fe Springs |
| 358,515 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 10,871 | 57,044 | 103,21 | 103,217 | Signal Hill |
| 0 | (67,381) | 46,049 | 157,469 | 266,678 | 373,458 | 477,562 | 578,726 | 676,654 | 771,023 | 861,47 | 861,477 | South El Monte* |
| 58,169 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,941 | 14,17 | 14,175 | South Gate |
| 0 | 145,271 | 572,439 | 996,474 | 1,417,065 | 1,833,865 | 2,246,497 | 2,654,543 | 3,057,543 | 3,454,996 | 3,846,343 | 3,846,345 | Temple City* |
| 0 | 62,335 | 285,598 | 507,074 | 726,582 | 943,927 | 1,158,891 | 1,371,239 | 1,580,706 | 1,787,006 | 1,989,821 | 1,989,820 | Vernon |
| 0 | 140,200 | 328,160 | 515,589 | 702,434 | 888,638 | 1,074,136 | 1,258,856 | 1,442,721 | 1,625,647 | 1,807,531 | 1,807,538 | Walnut |
| 0 | (52,932) | (38,943) | (25,697) | (13,269) | (1,741) | 8,798 | 18,247 | 26,500 | 33,435 | 38,92 | 38,921 | Westlake Village |
| 1,617,691 | 0 | 0 | 0 | 0 | 0 | 0 | 219,579 | 482,046 | 744,513 | 1,006,981 | 1,006,980 | Whittier |
| 313,694 | 0 | 0 | 0 | 0 | 0 | 36,280 | 94,609 | 152,938 | 211,267 | 269,59 | 269,596 | Total |
| 2,527,460 | 0 | 0 | 0 | 0 | 0 | 316,607 | 790,618 | 1,264,629 | 1,738,640 | 2,212,652 | 2,212,651 | Marin County |
| 29,552 | 0 | 14,201 | 36,078 | 57,954 | 79,831 | 101,708 | 123,584 | 145,461 | 167,337 | 189,21 | 189,214 | Tiburon |
| 101,318 | 0 | 0 | 0 | 0 | 0 | 17,951 | 37,829 | 57,707 | 77,585 | 97,46 | 97,463 | |
| 660,643 | 0 | 0 | 9,738 | 233,199 | 456,559 | 680,119 | 903,580 | 1,127,040 | 1,350,501 | 1,573,961 | 1,573,961 | Mendocino County |
| 151,801 | 0 | 0 | 62,770 | 134,293 | 205,817 | 277,340 | 348,864 | 420,387 | 491,911 | 563,43 | 563,434 | Fort Bragg |
| 0 | 41,818 | 148,545 | 254,552 | 359,764 | 464,105 | 567,485 | 669,809 | 770,972 | 870,857 | 969,33 | 969,336 | Orange County |
| 0 | (15,856) | 118,843 | 251,868 | 383,053 | 512,214 | 639,149 | 763,634 | 885,425 | 1,004,253 | 1,119,821 | 1,119,821 | Irvine |
| 0 | (81,465) | (37,709) | 4,657 | 45,493 | 84,645 | 121,944 | 157,207 | 190,229 | 220,785 | 248,63 | 248,631 | Westminster |
| 676,554 | 0 | 0 | 0 | 208,606 | 429,896 | 651,166 | 872,476 | 1,093,766 | 1,315,056 | 1,536,341 | 1,536,346 | Yorba Linda |
| 0 | 21,214 | 217,698 | 412,233 | 604,626 | 794,664 | 982,109 | 1,166,702 | 1,348,159 | 1,526,167 | 1,700,371 | 1,700,379 | Total |
| 0 | (22,215) | 34,340 | 90,021 | 144,738 | 198,397 | 250,890 | 302,102 | 351,905 | 400,157 | 446,70 | 446,703 | |
| 0 | (9,721) | 43,095 | 95,216 | 146,573 | 197,090 | 246,680 | 295,254 | 342,710 | 388,933 | 433,80 | 433,803 | |
| 1,619,624 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 96,41 | 96,415 | Riverside County |
| 0 | (139,716) | 20,503 | 177,391 | 330,612 | 479,801 | 624,553 | 764,427 | 898,934 | 1,027,535 | 1,149,641 | 1,149,644 | Cathedral City |
| 0 | 115,733 | 274,324 | 432,439 | 590,030 | 747,044 | 903,425 | 1,059,109 | 1,214,026 | 1,368,099 | 1,521,241 | 1,521,244 | Indian Wells |
| 0 | (41,909) | 44,345 | 129,176 | 212,439 | 293,979 | 373,624 | 451,184 | 526,451 | 599,195 | 669,16 | 669,164 | La Quinta |
| 0 | (35,913) | 118,312 | 270,425 | 420,213 | 567,445 | 711,865 | 853,190 | 991,117 | 1,125,298 | 1,255,361 | 1,255,363 | Lake Elsinore |
| 546,260 | 0 | 0 | 248,591 | 513,541 | 778,491 | 1,043,441 | 1,308,391 | 1,573,342 | 1,838,292 | 2,103,242 | 2,103,242 | Moreno Valley |
| 150,668 | 0 | 0 | 0 | 0 | 0 | 28,831 | 58,747 | 88,664 | 118,581 | 148,49 | 148,497 | Palm Desert* |
| 0 | 51,444 | 127,045 | 202,378 | 277,415 | 352,128 | 426,483 | 500,445 | 573,976 | 647,031 | 719,56 | 719,562 | Rancho Mirage* |
| 0 | (55,944) | 44,773 | 143,750 | 240,812 | 335,767 | 428,406 | 518,496 | 605,784 | 689,987 | 770,79 | 770,798 | |
| 1,077,836 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 23,088 | 145,41 | 145,413 | Total |

| | 0.1% of the | 1987-88 | 1988-89 | 1989-90 | 1990-91 | 1991-92 | 1992-93 | 1993-94 | 1994-95 | 1995-96 | 1996-97 | 1997-98 |
|-------------|--------------|--------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1987-88 | Prop Tax | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue | Net Revenue |
| | A.V. | Share | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer | Transfer |
| 128,843 | 2,317,733 | 1,101,595 | 0 | 0 | 0 | 57,272 | 289,045 | 520,818 | 752,591 | 984,365 | 1,216,138 | |
| 0 | 698,763 | 20,029 | 49,847 | 119,724 | 189,600 | 329,353 | 399,229 | 469,105 | 538,981 | 608,858 | 678,734 | |
| 0 | 560,631 | 0 | (15,844) | 33,029 | 81,182 | 175,038 | 220,573 | 265,055 | 308,379 | 350,430 | 391,079 | |
| 0 | 1,588,420 | 851,063 | 0 | 0 | 0 | 0 | 101,989 | 260,831 | 419,673 | 578,515 | 737,357 | |
| 0 | 809,731 | 0 | (19,254) | 51,697 | 121,645 | 258,124 | 324,423 | 389,254 | 452,472 | 513,913 | 573,402 | |
| 0 | 1,684,037 | 1,317,083 | 0 | 0 | 0 | 0 | 0 | 0 | 30,147 | 198,550 | 366,954 | |
| 0 | 927,576 | 252,190 | 0 | 0 | 26,083 | 211,598 | 304,356 | 397,113 | 489,671 | 582,628 | 675,386 | |
| 0 | 717,746 | 459,260 | 0 | 0 | 0 | 0 | 0 | 43,162 | 114,937 | 186,711 | 258,486 | |
| 0 | 2,428,418 | 2,277,886 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 150,532 | |
| 43,124 | \$59,306,607 | \$17,267,078 | \$45,864 | \$2,577,828 | \$5,437,402 | \$8,781,123 | \$12,170,141 | \$16,239,407 | \$20,820,333 | \$25,550,808 | \$30,436,603 | \$35,615,789 |
| 117,196 | | | | | | | | | | | | |
| \$289,164 | 779,149 | 622,289 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,030 | 78,945 | 156,860 |
| | 222,827 | 170,450 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 7,812 | 30,094 | 52,377 |
| | 10,759,641 | 4,263,887 | 0 | 0 | 0 | 39,969 | 1,115,934 | 2,191,898 | 3,267,862 | 4,343,826 | 5,419,790 | 6,495,754 |
| | 2,357,652 | 2,251,096 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 106,556 |
| | 2,142,321 | 2,068,262 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 74,059 |
| | \$15,259,614 | \$8,583,245 | \$0 | \$0 | \$0 | \$39,969 | \$1,115,934 | \$2,191,898 | \$3,267,862 | \$4,343,826 | \$5,419,790 | \$6,676,369 |
| 925,597 | 640,090 | 0 | 0 | 0 | 0 | 0 | 0 | 7,828 | 100,388 | 192,947 | 285,507 | |
| 1,012,867 | 73,730 | 27,557 | 230,130 | 331,417 | 432,704 | 533,990 | 635,277 | 736,564 | 837,850 | 939,137 | | |
| 732,150 | 269,815 | 0 | 0 | 23,045 | 96,260 | 169,475 | 242,690 | 315,905 | 389,120 | 462,335 | | |
| 465,635 | 403,055 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16,017 | 62,580 | |
| 2,518,383 | 1,117,665 | 0 | 0 | 0 | 0 | 141,527 | 393,365 | 645,203 | 897,041 | 1,148,880 | 1,400,718 | |
| 2,326,207 | 354,713 | (61,277) | 269,004 | 494,211 | 718,676 | 942,324 | 1,165,077 | 1,386,842 | 1,607,521 | 1,827,007 | | |
| 1,804,936 | 194,485 | (44,824) | 292,759 | 467,828 | 642,356 | 816,288 | 989,562 | 1,162,115 | 1,333,873 | 1,504,759 | | |
| \$9,785,775 | \$3,053,553 | (\$78,544) | \$791,893 | \$1,316,501 | \$2,031,522 | \$2,855,442 | \$3,685,637 | \$4,598,854 | \$5,526,209 | \$6,482,043 | | |

| | | | | | |
|-----|-----------|-----------|-----------|-----------|-----------|
| 0 | 0 | 54,339 | 307,562 | 560,785 | 814,008 |
| 0 | 140,955 | 298,266 | 455,576 | 612,887 | 770,198 |
| 0 | 0 | 0 | 0 | 90,745 | 212,514 |
| 0 | 0 | 84,989 | 175,737 | 266,486 | 357,234 |
| \$0 | \$140,955 | \$298,266 | \$455,576 | \$703,631 | \$982,712 |

| | | | | | |
|-----------|-----------|-------------|-------------|-------------|-------------|
| 0 | 0 | 0 | 0 | 0 | 0 |
| 21,586 | 32,147 | 42,629 | 53,023 | 63,322 | 73,517 |
| 632,520 | 802,256 | 971,218 | 1,139,329 | 1,306,504 | 1,472,650 |
| 0 | 0 | 0 | 8,781 | 50,046 | 91,311 |
| 0 | 34,517 | 77,309 | 120,101 | 162,893 | 205,685 |
| 0 | 222 | 62,455 | 124,688 | 186,921 | 249,154 |
| \$654,105 | \$869,141 | \$1,153,611 | \$1,445,922 | \$1,769,686 | \$2,092,316 |

| | | | | | |
|-----------|-------------|-------------|-------------|-------------|-------------|
| 585,436 | 882,661 | 1,179,885 | 1,477,109 | 1,774,334 | 2,071,558 |
| 0 | 62,527 | 137,000 | 211,473 | 285,946 | 360,419 |
| 78,490 | 103,726 | 128,962 | 154,199 | 179,435 | 204,672 |
| 111,693 | 300,726 | 489,758 | 678,791 | 867,824 | 1,056,857 |
| \$775,618 | \$1,349,639 | \$1,935,606 | \$2,521,573 | \$3,107,539 | \$3,693,506 |

| | | | | | |
|-----|-----|-----|----------|-----------|-----------|
| 0 | 0 | 0 | 7,736 | 52,456 | 97,175 |
| 0 | 0 | 0 | 54,807 | 111,402 | 167,996 |
| \$0 | \$0 | \$0 | \$62,544 | \$163,858 | \$265,171 |

| | 0.1% of the 1987-88 A.V. | 1987-88 Prop Tax Share | 1988-89 Net Revenue Transfer | 1989-90 Net Revenue Transfer | 1990-91 Net Revenue Transfer | 1991-92 Net Revenue Transfer | 1992-93 Net Revenue Transfer | 1993-94 Net Revenue Transfer | 1994-95 Net Revenue Transfer | 1995-96 Net Revenue Transfer | 1996-97 Net Revenue Transfer | 1997-98 Net Revenue Transfer |
|----------------|--------------------------------|------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| Ventura County | | | | | | | | | | | | |
| Camarillo* | 2,567,026 | 61,343 | 86,773 | 332,617 | 577,375 | 820,938 | 1,063,189 | 1,303,993 | 1,543,207 | 1,780,674 | 2,016,215 | 2,249,642 |
| Moorpark | 882,948 | 578,288 | 0 | 0 | 0 | 0 | 0 | 0 | 39,776 | 128,070 | 216,365 | 304,660 |
| Simi Valley* | 3,793,534 | 326,212 | (169,197) | 187,924 | 542,820 | 895,271 | 1,245,031 | 1,591,831 | 1,935,378 | 2,275,342 | 2,611,369 | 2,943,062 |
| Thousand Oaks* | 5,545,777 | 1,114,880 | (223,715) | (246,087) | 278,158 | 805,666 | 1,330,467 | 1,852,290 | 2,370,839 | 2,885,784 | 3,396,765 | 3,903,388 |
| Total | \$12,789,285 | \$2,080,723 | (\$306,139) | \$274,454 | \$1,398,353 | \$2,521,875 | \$3,638,687 | \$4,748,114 | \$5,889,200 | \$7,069,870 | \$8,240,715 | \$9,400,752 |
| State Total | \$128,582,633 | \$44,288,382 | (\$180,296) | \$3,853,721 | \$9,186,041 | \$15,432,746 | \$23,418,693 | \$32,343,905 | \$42,326,416 | \$53,012,806 | \$64,006,297 | \$75,616,105 |

* indicates that the city will lose its No Property Tax VLF subvention