

Attachment 2

MUNICIPAL TAX SHARING AGREEMENT BETWEEN THE COUNTY OF SISKIYOU AND THE CITY OF YREKA REGARDING THE DISTRIBUTION OF TAXES UPON ANNEXATION OF REAL PROPERTY TO THE CITY

Formatted: Font: 28 pt, Bold

Formatted: Centered

THIS AGREEMENT is made by and between the COUNTY OF SISKIYOU (“County”) and the CITY OF YREKA (“~~City-Yreka~~”) on the __ day of _____, 2024.

WHEREAS, the City is pursuing the annexation of County property to the City of Yreka, referred to as the Evans-Wilmarth Annexation (LAF-23-01) property for the purposes of this project; and

WHEREAS, this project would consist of annexing 3.2 acres of property within the County (APN 014-430-120) to an existing parcel in the City of Yreka (APN 062-202-150), thereby increasing the existing City of Yreka parcel to five acres; and

WHEREAS, Section 99 of the California Revenue and Taxation Code requires a city seeking to annex property to its incorporated territory and a county affected by such annexation to agree upon an exchange of property taxes; and

WHEREAS, County and City are willing to provide for such an exchange of property taxes and other revenue related to the Evans Property; and

WHEREAS, the City and County recognize the importance of the City’s and County’s services and maintaining adequate service levels to the annexed property; and

WHEREAS, the County will continue to provide a variety of county-wide services to the residents of the annexed property including jails, juvenile detention, district attorney, public defender, probation, child support services, health and human services, elections, recording, assessor, environmental health, and agricultural services, and County requires sufficient revenues to maintain existing service levels; and

WHEREAS, as a matter of policy the County seeks for tax sharing agreements to be consistent with Siskiyou County Resolution 25-83.

NOW, THEREFORE the County and City agree as follows:

1. Definitions.

A. The Annexation Area shall mean the 3.2 acres of property within the County (APN 014-430-120) proposed to be annexed to the City as further described in Exhibit A, attached hereto and incorporated herein by reference.

B. Base Property Tax Revenues shall mean the amount of property tax based upon the ad valorem property tax imposed pursuant to Article 13A, Section 1 of the State Constitution, for the fiscal year immediately preceding the year in which the

Attachment 2

Formatted: Font: 28 pt, Bold

Formatted: Centered

annexation is proposed that accrues to the County General Fund. For the FY 2023-2024 that amount is \$41.88 for the 3.2 acres of APN 014-430-120.

C. Incremental Property Tax Revenues shall mean the amount of property tax revenues accruing to each Affected Agency attributable to the annual tax increment increase in assessed valuation in each fiscal year after the annexation is completed.

D. Affected Agency shall mean each local agency whose service area or service responsibility would be altered by the jurisdiction change. The Affected Agencies within the Annexation Area are the City and the County.

2. Affected Property Tax Funds.

The County Auditor has notified the City and County pursuant to Revenue and Taxation Code section 99, subdivision (b)(3), that, of the 1% ad valorem property tax imposed pursuant to Article 13A, section 1 of the State Constitution, the property tax revenue which is subject to negotiated exchange consists of the Siskiyou County General Fund portion.

3. Affected Tax Rate Area.

The Affected Tax Rate Area which includes all Base Property Tax Revenue or Incremental Property Tax Revenue available for allocation and distribution is: 123-004 and 007-000.

4. Allocation of Future Property Taxes.

Based on mutual agreement of the parties, on or after the annexation date:

A. County shall retain 100% of the Base Property Tax Revenues, and the City of Yreka shall be allocated 50% of the Base Property Tax Revenue

A.B. The Incremental Property Tax Revenues shall be allocated on an equal basis: 50% to the City and 50% to the County.

5. Exchange by County Auditor.

County and City agree that all of the exchanges of property tax revenue required by this Agreement shall be made by the County Auditor.

6. Commencement of Exchange.

The allocations of Base property Tax Revenue and Incremental Property Tax Revenue shall commence January 1, following the effective date of the annexation.

7. Modification.

This Agreement may be modified or amended only by a writing duly authorized and executed by both the City and County.

NOW, THEREFORE BE IT RESOLVED the County and City agree as follows:

2. Effective January 1, following the effective date of the annexation, all general and special purpose property tax revenue available to County and City from the property designated as

Attachment 2

~~the Evans Property to the City of Yreka shall be divided between County and City as follows:~~

- ~~A. County shall maintain 100% of the property tax base;~~
- ~~B. The property tax increment shall be allocated as 50% to the City;~~
- ~~C. The property tax increment shall be allocated 50% to the County.~~

IN WITNESS WHEREOF, County and City have authorized the execution of this Agreement and authorized the Mayor and the Board Chair, respectively, to sign.

COUNTY OF SISKIYOU

Michael N. Kobseff, Chair
Board of Supervisors

ATTEST:

Laura Bynum, County Clerk

CITY OF YREKA

Corey Middleton, Mayor

ATTEST:

Shella Rhetta Hogan, City Clerk

Formatted: Font: 28 pt, Bold

Formatted: Centered