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REVENUE AND TAXATION CODE - RTC

DIVISION 1. PROPERTY TAXATION [50 - 5911] (*Division 1 enacted by Stats. 1939, Ch. 154.*)

PART 0.5. IMPLEMENTATION OF ARTICLE XIII A OF THE CALIFORNIA CONSTITUTION [50 - 100.96] (*Part 0.5 added by Stats. 1979, Ch. 242.*)

CHAPTER 6. Allocation of Property Tax Revenue [95 - 100.96] (*Chapter 6 repealed and added by Stats. 1994, Ch. 1167, Sec. 3.*)

ARTICLE 2. Basic Revenue Allocations [96 - 96.81] (*Article 2 added by Stats. 1994, Ch. 1167, Sec. 3.*)

96. For the 1979–80 fiscal year only, property tax revenues shall be apportioned to each jurisdiction pursuant to this section and Section 96.2 or their predecessors by the county auditor, subject to the allocation and payment of funds as provided for in subdivision (b) of Section 33670 of the Health and Safety Code, as follows:

(a) For each tax rate area, each local agency shall be allocated an amount of property tax revenue equal to the sum of the amount of property tax revenue allocated pursuant to Section 26912 of the Government Code to each local agency for the 1978–79 fiscal year, as allocated to that tax rate area pursuant to paragraph (1) of subdivision (f) of former Section 98, modified by any adjustments required by Section 99, and the amount of state assistance payments allocated to that tax rate area pursuant to paragraph (2) of subdivision (f) of Section 96.5.

(b) The auditor shall determine the school entities' share of the 1979–80 property tax revenue by subtracting the state assistance payments allocated to local agencies within the county for the 1978–79 fiscal year from the aggregate amount of property tax revenue allocated pursuant to Section 26912 of the Government Code to all school entities within the county for the 1978–79 fiscal year. The amount of the difference shall be the school entities' share of property taxes for fiscal year 1979–80, and shall be allocated to the school entities in the same proportion as the allocation made to those entities for the 1978–79 fiscal year. The amount for each school entity shall be allocated among its tax rate areas pursuant to paragraph (3) of subdivision (f) of Section 96.5.

(c) The difference between the total amount of property tax revenue and the amounts allocated pursuant to subdivisions (a) and (b) shall be allocated pursuant to Section 96.5.

(d) For the purposes of computing property tax allocations for the 1978–79 fiscal year and each year thereafter, the county auditor shall recompute the 1978–79 property tax allocation for any city that levied a utility users' tax prior to 1978 but repealed that tax prior to December 31, 1977. For these cities, the term "property tax revenues for the 1975–76, 1976–77, and 1977–78 fiscal years" shall be deemed to include the aggregate of property tax and utility users' tax for those respective years.

(Repealed and added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.1. (a) Except as otherwise provided in Article 3 (commencing with Section 97), and in Article 4 (commencing with Section 98), for the 1980–81 fiscal year and each fiscal year thereafter, property tax revenues shall be apportioned to each jurisdiction pursuant to this section and Section 96.2 by the county auditor, subject to allocation and payment of funds as provided for in subdivision (b) of Section 33670 of the Health and Safety Code and subparagraph (D) of paragraph (3) of subdivision (g) of Section 53395.8 of the Government Code, to each jurisdiction in the following manner:

(1) For each tax rate area, each jurisdiction shall be allocated an amount of property tax revenue equal to the amount of property tax revenue allocated pursuant to this chapter to each jurisdiction in the prior fiscal year, modified by any adjustments required by Section 99 or 99.02.

(2) The difference between the total amount of property tax revenue and the amounts allocated pursuant to paragraph (1) shall be allocated pursuant to Section 96.5, and shall be known as the "annual tax increment."

(3) For purposes of this section, the amount of property tax revenue referred to in paragraph (1) shall not include amounts generated by the increased assessments under Chapter 3.5 (commencing with Section 75).

(b) Any allocation of property tax revenue that was subjected to a prior completed audit by the Controller, pursuant to the requirements of Section 12468 of the Government Code, where all findings have been resolved, shall be deemed correct.

(c) (1) Guidelines for legislation implementation issued and determined necessary by the State Association of County Auditors, and when adopted as regulations by either the Controller or the Department of Finance pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, shall be considered an authoritative source deemed correct until some future clarification by legislation or court decision.

(2) If a county auditor knowingly does not follow the guidelines referred to in paragraph (1), that county auditor shall inform the Controller of the reason or reasons for not following the guidelines. If the Controller disagrees with the stated reason or reasons for not following the guidelines, the provisions of paragraph (3) do not apply.

(3) If, by audit begun on or after July 1, 2001, or discovery by an entity on or after July 1, 2001, it is determined that an allocation method is required to be adjusted and a reallocation is required for previous fiscal years, the cumulative reallocation or adjustment may not exceed 1 percent of the total amount levied at a 1-percent rate of the current year's original secured tax roll. The reallocation shall be completed in equal increments within the following three fiscal years, or as negotiated with the Controller in the case of reallocation to the Educational Revenue Augmentation Fund or school entities.

(4) If it is determined that an allocation method is required to be adjusted as provided in paragraph (3), the county auditor shall, in the fiscal year following the fiscal year in which this determination is made, correct the allocation method in accordance with statute.

(Amended by Stats. 2010, Ch. 664, Sec. 4. Effective January 1, 2011.)

96.11. Notwithstanding any other provision of this article, for purposes of property tax revenue allocations, the county auditor of a county for which a negative sum was calculated pursuant to subdivision (a) of former Section 97.75 as that section read on September 19, 1983, shall, in reducing the amount of property tax revenue that otherwise would be allocated to the county by an amount attributable to that negative sum, do all of the following:

(a) For the 2011–12 fiscal year, apply a reduction amount that is equal to the lesser of either of the following:

(1) The reduction amount that was determined for the 2010–11 fiscal year.

(2) The reduction amount that is determined for the 2011–12 fiscal year.

(b) For the 2012–13 fiscal year, apply a reduction amount that is equal to the lesser of either of the following:

(1) The reduction amount that was determined in subdivision (a) for the 2011–12 fiscal year.

(2) The reduction amount that is determined for the 2012–13 fiscal year.

(c) For the 2013–14 fiscal year and for the 2014–15 fiscal year, apply a reduction amount that is determined on the basis of the reduction amount applied for the immediately preceding fiscal year.

(d) For the 2015–16 fiscal year and each fiscal year thereafter, the county auditor shall not apply a reduction amount.

(Amended by Stats. 2015, Ch. 325, Sec. 24. Effective September 22, 2015.)

96.15. (a) Notwithstanding any other provision of this chapter, in the event a qualifying city as defined in subdivision (d) of Section 98 or subdivision (f) of Section 98.02 becomes the successor agency to a special district as a result of a merger described in Section 57087.3 of the Government Code, the auditor shall allocate to that qualifying city, in addition to any other amount of ad valorem property tax revenue required to be allocated to that city pursuant to this chapter, the amount of ad valorem property tax revenue that otherwise would be allocated to that district pursuant to this article.

(b) It is the intent of the Legislature in enacting this section to confirm and clarify a county auditor's duty and authority, established by subdivision (d) of Section 57087.3 of the Government Code, to allocate to a qualifying city the ad valorem property tax revenue of a subsidiary district that has been merged with the city.

(Added by Stats. 1996, Ch. 211, Sec. 1. Effective July 22, 1996.)

96.16. (a) Notwithstanding any other provisions of this chapter, in the County of Orange, for the 1996–97 fiscal year, the amount of property tax revenue deemed allocated in the prior fiscal year to a flood control district or a harbors, beaches and parks fund shall be reduced by four million dollars (\$4,000,000) each, and the amount of property tax revenue deemed allocated in the prior fiscal year to the county shall be increased by an amount equal to the combined amount of those reductions. For each of the 1997–98 to 2015–16 fiscal years, inclusive, the auditor shall allocate property tax revenues in those amounts that fully reflect the modifications required by the preceding sentence.

(b) For the 2016–17 fiscal year and each fiscal year thereafter, the auditor shall allocate property tax revenues in those amounts that would be determined if subdivision (a) had not applied to any prior fiscal year.

(c) This section shall not take effect unless and until (1) a plan of adjustment is confirmed in Case No. SA-94-22272-JR in the United States Bankruptcy Court for the Central District of California or (2) a trustee is appointed pursuant to Chapter 10 (commencing with Section 30400) of Division 3 of Title 3 of the Government Code.

(Added by Stats. 1995, Ch. 745, Sec. 5. Effective January 1, 1996. Section conditionally operative by its own provisions.)

96.165. (a) Notwithstanding any other provision of this chapter, for each fiscal year for which this section is operative, the auditor for a county of the second class shall determine those amounts of ad valorem property tax revenue deemed allocated in the prior fiscal year to jurisdictions within that county in those amounts that would be determined if all of the following were true:

(1) Chapter 745 of the Statutes of 1995 had not been enacted.

(2) The amount of ad valorem property tax revenue allocated in the 1995–96 fiscal year to a flood control district or a harbors, beaches, and parks fund was reduced by four million dollars (\$4,000,000).

(3) The amount of ad valorem property tax revenue allocated in the 1995–96 fiscal year was increased by the total amount of the reductions specified by paragraph (2).

(b) (1) For the fiscal year after the last fiscal year for which this section is operative, the auditor for a county of the second class shall allocate ad valorem property tax revenues to jurisdictions within the county in those amounts that would be determined if subdivision (a) had never applied to any preceding fiscal year.

(2) Notwithstanding any other provision of this section, no action shall be taken pursuant to this section that adversely affects any flood control project with respect to the Santa Ana River.

(c) This section is operative for each fiscal year beginning after the date on which a court of appellate jurisdiction renders a final determination invalidating Chapter 745 of the Statutes of 1995, and is inoperative for each fiscal year beginning after the date on which the Department of Finance determines that the amounts of property tax revenue transfers to a county of the second class made pursuant to Chapter 745 of the Statutes of 1995, and not repaid, together with the amounts of property tax revenue transfers to a county of the second class made pursuant to this section, equal the amounts of property tax revenue transfers to a county of the second class that would have been made pursuant to Chapter 745 of the Statutes of 1995 had it remained in full force and effect.

(Added by Stats. 1998, Ch. 724, Sec. 8. Effective January 1, 1999. Section conditionally operative as provided in subd. (c).)

96.18. (a) (1) Notwithstanding any other provision of this chapter, the Auditor for the County of San Diego shall, in allocating ad valorem property tax revenues in accordance with subdivision (a) of Section 96.1 in each of the 1999–2000, 2000–01, and 2001–02 fiscal years, do both of the following:

(A) Decrease the total amount of ad valorem property tax revenue otherwise deemed allocated to the County of San Diego in the prior fiscal year by an amount, not to exceed three million dollars (\$3,000,000), as specified in an ordinance or resolution as described in subdivision (b).

(B) Increase the total amount of ad valorem property tax revenue otherwise deemed allocated to the county free library in the prior fiscal year by an amount equal to the amount of the decrease required by subparagraph

(A).

(2) Notwithstanding any other provision of this chapter, in each of the 1999–2000, 2000–01, and 2001–02 fiscal years only, the auditor shall allocate the “annual tax increment” pursuant to Section 96.5 in those amounts that would be so allocated if no reduction or increase had been required in any fiscal year pursuant to paragraph (1). In the 2002–03 fiscal year and each fiscal year thereafter, the auditor shall allocate the “annual tax increment” pursuant to Section 96.5 in those amounts that fully reflect any increase or decrease required in any fiscal year by paragraph (1).

(b) Subdivision (a) shall not become operative unless the Board of Supervisors for the County of San Diego adopts, with the approval of a majority of its entire membership, an ordinance or resolution declaring that the subdivision is operative. Any ordinance or resolution that is adopted pursuant to the preceding sentence shall do both of the following:

(1) Specify either the amount that is to be reallocated in accordance with paragraph (1) of subdivision (a) in each fiscal year described in that subdivision, or a procedure for determining that reallocation amount for each of those same fiscal years.

(2) Prohibit the total of the amounts reallocated in accordance with paragraph (1) of subdivision (a) from exceeding nine million dollars (\$9,000,000).

(Added by Stats. 1999, Ch. 824, Sec. 1. Effective October 10, 1999.)

96.19. Notwithstanding any other provision of law, the property tax apportionment factors applied in allocating property tax revenues in the County of Riverside for each fiscal year to the 1999–2000 fiscal year, inclusive, are deemed to be correct. However, for the 2000–01 fiscal year and each fiscal year thereafter, property tax apportionment factors applied in allocating property tax revenues in the County of Riverside shall be determined on the basis of property tax apportionment factors for prior fiscal years that have been fully corrected and adjusted, pursuant to the review and recommendation of the Controller, as would be required in the absence of the preceding sentence.

(Added by Stats. 2000, Ch. 604, Sec. 1. Effective January 1, 2001.)

96.2. Except as otherwise provided in Section 96.21 or 96.22, for the purpose of apportioning property tax revenues each fiscal year:

(a) The amount of property tax revenue allocated pursuant to subdivisions (a) and (b) of Section 96 or subdivision (a) of Section 96.1, modified by any adjustments made pursuant to Section 99 or 99.2 and subdivision (e) of Section 96.5, shall be combined to compute the total amount of property tax revenue allocated to the jurisdiction with respect to the tax rate area.

(b) The total amount of property tax revenue allocated to each jurisdiction with respect to all tax rate areas as determined pursuant to subdivision (a) shall be added to compute a total amount of property tax revenue for a jurisdiction in all tax rate areas.

(c) Each amount determined pursuant to subdivision (b) shall be divided by the total of all those amounts computed. The quotient determined shall be used to apportion actual property tax collections and shall be known as the “property tax apportionment factors.”

(d) For the 1980–81 fiscal year and each fiscal year thereafter, prior years’ property tax revenues shall be apportioned using the factors determined pursuant to subdivision (c) for the immediately preceding fiscal year.

(e) Notwithstanding this section, property tax revenues may be apportioned by tax rate area.

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.21. (a) Notwithstanding any other provision of this chapter, in the County of Solano, the apportionment of property tax revenues made pursuant to Section 96.2 or its predecessor section, for the 1987–88 fiscal year only, shall be modified as follows:

(1) The auditor shall increase by the sum of two hundred sixty-three thousand dollars (\$263,000) the total amount of property tax revenues apportioned to the City of Suisun.

(2) The auditor shall reduce by the sum of ninety thousand dollars (\$90,000) the total amount of property tax revenue apportioned to the Solano County General Fund.

(3) The auditor shall reduce by the total sum of one hundred seventy-three thousand dollars (\$173,000) the total amount of property tax revenue apportioned to all of the following: the Solano County Free Library; the Greater Vallejo Recreation District; the Solano County Water Conservation District; the Solano County Accumulated Capital Outlay Fund; the Solano County Aviation; the Solano County Recreation; the Solano County Zone of Benefit 1; the Solano County Library Special Tax Zone 1; the Fairfield-Suisun Cemetery District; the Solano County portion of the Bay Area Air Quality Management District; and the Cities of Benicia, Dixon, Fairfield, Vacaville, Rio Vista, and Vallejo. The reduction required by this paragraph shall be made by the auditor by computing that percentage of the total amount of property tax revenue allocated to all of the jurisdictions and funds specified in this paragraph which equals one hundred seventy-three thousand dollars (\$173,000) and by reducing the total amount of property tax revenue allocated to each of those jurisdictions and funds by that percentage.

(b) For the 1988–89 fiscal year and each fiscal year thereafter, the auditor shall increase the total amount of property tax revenue apportioned to the City of Suisun pursuant to Section 96.2 by the same percentage by which the total amount of property tax revenue to be apportioned to the city pursuant to Section 96.2 in the 1987–88 fiscal year was increased by the application of subdivision (a).

(c) For the 1988–89 fiscal year and each fiscal year thereafter, the auditor shall reduce the total amount of property tax revenue apportioned to each jurisdiction and fund specified in paragraphs (2) and (3) of subdivision (a) as follows:

(1) The auditor shall compute for each jurisdiction and fund that percentage of the total amount of the property tax revenue reduction required by subdivision (a) for the 1987–88 fiscal year which is equal to the total amount of its property tax revenue reduction for that fiscal year.

(2) The auditor shall reduce the total amount of the property tax revenue apportioned to each jurisdiction and fund for the applicable fiscal year by the amount determined by multiplying the percentage computed for the jurisdiction or fund in paragraph (1) by the total amount of the increase computed in subdivision (b).

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.22. (a) Notwithstanding any other provision of this chapter, in any county with an eligible city, the apportionment of property tax revenues made pursuant to Section 96.2 or its predecessor section, for the 1988–89 fiscal year only, shall be modified as follows:

(1) The auditor shall increase the total amount of property tax revenues apportioned to an eligible city by an amount equal to 20 percent of the “additional amount” provided to that city pursuant to paragraph (2) of subdivision (h) of Section 95.

(2) The auditor shall reduce by the amount determined in paragraph (1) the total amount of property tax revenues apportioned to an eligible local agency authorized to maintain vehicular recreation areas pursuant to Section 5541.1 of the Public Resources Code.

(b) For the 1988–89 fiscal year only, the allocation of annual tax increment pursuant to subdivision (e) of Section 98 or its predecessor section to the eligible city and the eligible local agency shall be adjusted correspondingly to reflect the modifications made by subdivision (a).

(c) For purposes of the calculations made pursuant to Section 96.1 or its predecessor section, in the 1989–90 fiscal year and each fiscal year thereafter, the amounts that are allocated to any eligible city and any eligible local agency pursuant to subdivision (a) shall be included in the “amount of property tax revenue allocated pursuant to this chapter in the prior year.”

(d) For the purposes of this section, “eligible city” means any city which received an additional amount of state assistance payments in accordance with paragraph (2) of subdivision (h) of Section 95.

(e) The amount allocated to an eligible city pursuant to this section shall be expended for zoo purposes only.

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.23. (a) Notwithstanding any other provision of this chapter, in the County of Nevada, the apportionment of property tax revenues made pursuant to Section 96.2 or its predecessor section shall be modified for the 1993–94 fiscal year only, as follows:

(1) The auditor shall increase by the sum of fifty-six thousand six hundred eighty-four dollars (\$56,684) the total amount of property tax revenues apportioned to the North San Juan Fire Protection District.

(2) The auditor shall reduce by the sum of thirty-one thousand seven hundred eighty-three dollars (\$31,783) the total amount of property tax revenues apportioned to the Nevada County General Fund.

(3) The auditor shall reduce by the sum of twenty-four thousand nine hundred one dollars (\$24,901) the total amount of property tax revenues apportioned to all of the following local agencies within Nevada County: Nevada County Solid Waste; the Nevada Irrigation District; the City of Nevada City; the City of Grass Valley; Higgins Area Fire Protection District; Truckee Fire Protection District; the Truckee Sanitary District; the Nevada Cemetery District; the Truckee Cemetery District; the Nevada Resource Conservation District; the San Juan Ridge County Water District; the Washington County Water District; the Tahoe Forest Hospital; the Donner Summit Public Utility District; the Tahoe Airport District; the Gold Flat Fire Protection District; the Alta Oaks Sunset Fire Protection District; the Forty Niner Fire Protection District; the Ophir Hill Fire Protection District; the Consolidated Fire District; the Peardale-Chicago Park Fire Protection District; the Rough and Ready Fire Protection District; the Watt Park Fire Protection District; the Truckee Donner Park and Recreation District; the Tahoe Truckee Sanitation District; the Penn Valley Fire District; County Service Area 1A; County Service Area 2; County Service Area 3; County Service Area 4; County Service Area 5; County Service Area 10; County Service Area 11; County Service Area 16; and the Lake of the Pines Ranchos Community Services District. The reduction required by this paragraph shall be made by the auditor by computing that percentage of the total amount of property tax revenues allocated in fiscal year 1993–94 to all of the jurisdictions and funds specified in this paragraph that equals twenty-four thousand nine hundred one dollars (\$24,901) and by reducing the total amount of property tax revenues allocated to each of those jurisdictions and funds by that percentage.

(b) (1) For purposes of the calculations made pursuant to Section 96.1 in the 1994–95 fiscal year, the amount allocated to the North San Juan Fire Protection District in the 1993–94 fiscal year pursuant to paragraph (1) of subdivision (a) shall be included in the “amount of property tax revenue allocated pursuant to this chapter in the prior year.”

(2) For the 1994–95 fiscal year and each fiscal year thereafter, the North San Juan Fire Protection District shall be allocated a share of the annual tax increment equal to 2.56 percent of the total of the annual tax increment amounts calculated under Section 96.5 for each of the tax rate areas comprising the North San Juan Fire Protection District. The auditor shall commensurately reduce on a pro rata basis the shares of the annual tax increment to be allocated to other local agencies, as defined in subdivision (a) of Section 95, within those tax rate areas.

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.24. Notwithstanding any other law, the property tax apportionment factors applied in allocating property tax revenues in the County of San Benito for each fiscal year through the 2000–01 fiscal year, inclusive, are deemed to be correct. Notwithstanding the audit time limits specified in paragraph (3) of subdivision (c) of Section 96.1, the county auditor shall make the allocation adjustments identified in the State Controller’s audit of the County of San Benito for the 2001–02 fiscal year pursuant to the other provisions of paragraph (3) of subdivision (c) of Section 96.1. For the 2002–03 fiscal year and each fiscal year thereafter, property tax apportionment factors applied in allocating property tax revenues in the County of San Benito shall be determined on the basis of property tax apportionment factors for prior fiscal years that have been fully corrected and adjusted, pursuant to the review and recommendation of the Controller, as would be required in the absence of the preceding sentences.

(Added by Stats. 2015, Ch. 325, Sec. 25. Effective September 22, 2015.)

96.25. Notwithstanding any other provision of law, the property tax apportionment factors applied in allocating property tax revenues in the County of Plumas for each fiscal year through the 1993–94 fiscal year shall be deemed correct. However, commencing with the 1994–95 fiscal year, property tax apportionment factors applied in allocating property tax revenue in the County of Plumas shall be determined on the basis of apportionment factors for prior fiscal years that have been corrected or adjusted as would be required in the absence of the preceding sentence.

(Added by Stats. 1995, Ch. 179, Sec. 1. Effective January 1, 1996.)

96.27. Notwithstanding any other provision of law, the property tax apportionment factors applied in allocating property tax revenues in the County of Santa Clara for the Santa Clara County Central Fire Protection District for each fiscal year from the 1988–89 fiscal year through the 1996–97 fiscal year shall be deemed correct,

except to the extent that those apportionment factors reflect any calculation errors made in implementing Article 3 (commencing with Section 97). However, commencing with the 1997–98 fiscal year, property tax apportionment factors applied in allocating property tax revenue in the County of Santa Clara shall be determined on the basis of property tax apportionment factors for prior fiscal years that have been fully corrected or adjusted as would be required in the absence of the preceding sentence.

(Added by Stats. 1999, Ch. 567, Sec. 1. Effective January 1, 2000.)

96.3. (a) For the 1983–84 and 1984–85 fiscal years, no local agency shall impose a property tax rate pursuant to subdivision (a) of Section 93 for other than bonded indebtedness that is in excess of the rate, if any, imposed in the 1982–83 fiscal year or imposed for the 1983–84 fiscal year pursuant to a budget resolution adopted on or before July 1, 1983, that contemplated the levy of an additional property tax rate for pension system costs, whichever rate is higher, for other than bonded indebtedness. This section shall be deemed to be a maximum tax rate pursuant to Section 20 of Article XIII of the California Constitution.

(b) If a local agency imposes a rate in excess of the maximum rate authorized by subdivision (a), the amount of property tax allocated to that local agency pursuant to this chapter shall be reduced by one dollar (\$1) for each one dollar (\$1) of property tax revenue attributable to the excess rate.

(c) Any property tax revenue that has been subtracted from a local agency's allocation pursuant to subdivision (b) shall be allocated to elementary, high school, and unified school districts within the agency's jurisdiction in proportion to the average daily attendance of each of those districts.

(d) As used in this section, "bonded indebtedness" means any bond obligation of a local government which was approved by the voters of such jurisdiction prior to July 1, 1978.

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.31. (a) For the 1985–86 fiscal year and each fiscal year thereafter, a jurisdiction shall not impose a property tax rate pursuant to subdivision (a) of Section 93, unless it is imposed for one or more of the following purposes:

(1) To make annual payments for the interest and principal on general obligation bonds approved by the voters before July 1, 1978, and on bonded indebtedness for the acquisition and improvement of real property approved by the voters by a two-thirds vote after June 4, 1986.

(2) To make payments to the State of California under contracts for the sale, delivery, or use of water entered into pursuant to California Water Resources Development Bond Act in Chapter 8 (commencing with Section 12930) of Part 6 of Division 6 of the Water Code or to make payments to the United States or another public agency under voter-approved contracts for the sale, delivery, or use of water or for the repayment of voter-approved obligations for the construction, maintenance, or operation of water conservation, treatment, or distribution facilities, provided that the indebtedness was approved by the voters before July 1, 1978.

(3) To make payments pursuant to lease-purchase programs approved by the voters before July 1, 1978, provided that the jurisdiction imposed the property tax rate in the 1982–83 fiscal year.

(4) To make payments in support of pension programs approved by the voters before July 1, 1978, provided that the local agency imposed the property tax rate in the 1982–83 or 1983–84 fiscal year.

(5) To make payments in support of paramedic, library, or zoo programs approved by the voters before July 1, 1978, provided that the jurisdiction imposed the property tax rate in the 1982–83 fiscal year.

(6) To make payments for the interest and principal on an indebtedness, pursuant to Section 5544.2 of the Public Resources Code, approved by the voters before July 1, 1978, provided that the local agency imposed the property tax rate in the 1982–83 fiscal year.

(b) In the 1985–86 fiscal year and any fiscal year thereafter, a jurisdiction shall not impose a property tax rate, pursuant to subdivision (a) of Section 93, in excess of the rate it imposed in the 1982–83 or 1983–84 fiscal year. Notwithstanding the limit imposed by this subdivision, a higher property tax rate may be imposed whenever necessary to make payments for any of the purposes specified in paragraphs (1), (2), and (3) of subdivision (a). However, no property tax rate increase in excess of the rate imposed in the 1984–85 fiscal year shall be imposed if the purpose of the rate increase is to fund a reduction in the rates charged for water at the time of the property tax rate increase.

(c) Notwithstanding subdivisions (a) and (b), a charter city may levy an ad valorem property tax rate to make

payments in support of a retirement system for fire and police employees if all of the following criteria are met:

- (1) The retirement system is part of the city's charter and was approved by the voters before July 1, 1978.
- (2) The city did not levy a separate ad valorem property tax rate to support the retirement system in the 1983–84 fiscal year.
- (3) The retirement system provides for a cost-of-living adjustment that is indexed to a consumer price index and does not limit the annual increases which may be paid to members after their retirement.
- (4) The retirement system is not currently available to newly hired fire and police employees and will not be available in the future.
- (5) Before January 1, 1985, the city unsuccessfully litigated a limit to the cost-of-living adjustment that may be paid to members of the retirement system after their retirement.
- (6) After July 1, 1985, the city conducted an election and a question authorizing the levying of an ad valorem property tax for the purpose of making payments in support of the retirement system received the affirmative votes of at least 60 percent of those voting on that question.

The proceeds of an ad valorem property tax rate levied pursuant to this subdivision shall be used only to pay for the obligations of a retirement system described by this subdivision. The proceeds shall not be used to finance more than 75 percent of the annual obligations of this retirement system. A city shall not levy an ad valorem property tax pursuant to this subdivision after June 30, 2034.

(d) (1) Except as otherwise provided in paragraph (2), if a jurisdiction imposes a rate in excess of the maximum rate authorized by subdivision (a), (b), or (c), the amount of property tax allocated to the jurisdiction pursuant to this chapter shall be reduced by one dollar (\$1) for each one dollar (\$1) of property tax revenue attributable to the excess rate. Any property tax revenue that has been subtracted from a jurisdiction's allocation pursuant to this subdivision shall be allocated to elementary, high school, and unified school districts within the jurisdiction's jurisdiction in proportion to the average daily attendance of each district.

(2) With respect to the ad valorem property taxes collected pursuant to paragraph (4) of subdivision (a) in excess of the maximum rate authorized by subdivision (b) in the 2007–08, 2008–09, and 2009–10 fiscal years for the City of Bell, all of the following shall apply:

(A) (i) On or before December 31, 2010, the City of Bell shall pay to the County of Los Angeles an amount equal to the amount of ad valorem property tax collected pursuant to paragraph (4) of subdivision (a) in excess of the maximum rate authorized by subdivision (b) in the 2007–08, 2008–09, and 2009–10 fiscal years, including interest thereon calculated at the average rate earned by the City of Bell on its idle funds in the 2007–08, 2008–09, and 2009–10 fiscal years.

(ii) From the amounts paid to the County of Los Angeles as required by clause (i), the County of Los Angeles shall make a refund to any taxpayer who paid the ad valorem property tax collected as specified in clause (i), in a manner generally consistent with the County of Los Angeles tax refund practices.

(B) (i) If, by December 31, 2011, the County of Los Angeles is unable to locate a taxpayer who paid the ad valorem property tax collected as specified in clause (i) of subparagraph (A) in order to make a refund to the taxpayer, those amounts remaining from those amounts paid to the County of Los Angeles pursuant to subparagraph (A) shall be allocated to elementary, high school, and unified school districts as provided by paragraph (1).

(ii) The requirement of paragraph (1) shall apply only with respect to any amounts remaining after making refunds to taxpayers as provided by clause (i).

(C) The City of Bell shall reimburse the county auditor for the actual and reasonable costs incurred by the county to administer this subdivision, including applicable administrative overhead costs as permitted by federal Office of Management and Budget Circular A-87 standards.

(e) (1) Notwithstanding any other law, if a jurisdiction increases or extends, on or after January 1, 2012, a property tax rate as authorized by paragraph (4) of subdivision (a) or by subdivision (c), the county auditor shall, prior to the increase or extension of the property tax rate, verify that the rate increased or extended by the jurisdiction does not exceed the maximum rate authorized by this section.

(2) The jurisdiction shall provide the county auditor, in the form and manner and at the time prescribed by the county auditor, with any documentation that is necessary to assist the county auditor in making the verification required by paragraph (1).

(3) The county auditor shall reject the increase or extension of any property tax rate that exceeds the maximum rate authorized by paragraph (4) of subdivision (a) or by subdivision (c).

(4) The jurisdiction shall reimburse the county auditor for the actual and reasonable costs incurred by the county to administer this subdivision.

(f) This section shall be deemed to be a limit on the maximum property tax rate pursuant to Section 20 of Article XIII of the California Constitution.

(Amended by Stats. 2011, Ch. 428, Sec. 1. Effective January 1, 2012.)

96.4. (a) Notwithstanding any other provision of this part or Part 8 (commencing with Section 4651) of Division 1, when all loans, advances, or indebtedness incurred to finance or refinance a redevelopment project subject to a reimbursement agreement validated by Section 33608 of the Health and Safety Code have been paid as provided in subdivision (b) of Section 33670 of the Health and Safety Code, the portion of taxes specified in subdivision (b) of this section that is produced by property within the redevelopment project area and that would otherwise have been allocated and distributed to the city, shall instead be allocated and distributed as follows:

(1) Fifty percent of these tax revenues shall be distributed to the affected school entities specified in Section 95 until the school entities have received the amount, including interest, specified in this subdivision. The amount of taxes allocated under this subdivision shall be equal to the aggregate amount of taxes that would have otherwise been received by the school entities in the years 2006 to 2014, inclusive, but for the reimbursement paid to the city pursuant to the agreement specified in Section 33608 of the Health and Safety Code, plus simple interest on the unpaid balance at an annual rate of 7 percent, accruing from and after January 1, 2006, until payment in full.

(2) The balance of these tax revenues shall be paid to the city, including the remainder of the portion of taxes specified in subdivision (b) available after the distribution made pursuant to paragraph (1).

(b) This section applies to that portion of the property tax revenues from property within the redevelopment project area subject to Section 33608 of the Health and Safety Code that is in excess of the property tax revenues that would be produced by the rate upon which the tax is levied each year by or for the city upon the total sum of the assessed value of the taxable property in the redevelopment project area as shown upon the assessment roll used in connection with the taxation of the property by the city, last equalized prior to the effective date of the ordinance approving the final redevelopment plan for that redevelopment project area.

(c) For purposes of all other allocations of property taxes under this code, the amount allocated to school entities by this section shall be treated as having been allocated to the city.

(d) The county auditor may assess the city for, and the city shall pay to the county auditor, the actual costs of making the reallocation and payment of property taxes required by this section.

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.5. The difference between the total amount of property tax revenue computed each year using the equalized assessment roll and the sum of the amounts allocated pursuant to subdivision (a) of Section 96.1 shall be known and may be cited as the annual tax increment, and shall be allocated, subject to allocation and payment of funds as provided for in subdivision (b) of Section 33670 of the Health and Safety Code, and modified by any adjustments made pursuant to Section 99 or 99.02, as follows:

(a) For each tax rate area, the auditor shall determine an amount of property tax revenue by multiplying the value of the change in taxable assessed value from the equalized assessment roll for the prior fiscal year to the equalized assessment roll for the current fiscal year by a tax rate of four dollars (\$4) per one hundred dollars (\$100) of assessed value. When computing the change in taxable assessed value between the 1980–81 fiscal year and the 1981–82 fiscal year, the assessed values for the 1980–81 fiscal year shall be multiplied by four. Starting with the 1981–82 fiscal year, the tax rate used in this calculation shall be one dollar (\$1) per one hundred dollars (\$100) of full value.

(b) Each amount determined pursuant to subdivision (a) shall be divided by the total of all those amounts computed for all tax rate areas within the county.

(c) The difference between the total amount of property tax revenue for the county and the sum of the amounts allocated pursuant to subdivisions (a) and (b) of Section 96 or subdivision (a) of Section 96.1 shall be

computed.

(d) The amount determined pursuant to subdivision (c) shall be multiplied by the quotients determined pursuant to subdivision (b) to derive, for each tax rate area, the amount of property tax revenue attributable to changes in assessed valuation.

(e) Except as provided in paragraph (4) of subdivision (b) of former Section 97.3, as that section read on January 1, 1994, in the 1984–85 fiscal year only, in subdivision (d) of former Section 97.32, as that section read on January 1, 1994, in the 1985–86 fiscal year only, and in paragraph (4) of subdivision (b) of former Sections 97.35, 97.37, and 97.38 in the 1989–90 fiscal year only, the amount of property tax revenue determined pursuant to subdivision (d) shall be allocated to the jurisdictions in the tax rate area in the same proportion that the total property tax revenue determined pursuant to subdivision (d) for the prior year was allocated to all those jurisdictions in the tax rate area except that those proportions within each tax rate area may be adjusted for affected agencies pursuant to the provisions of Section 99 or 99.02.

(f) Any agency that has not filed a map of its boundaries by January 1, in compliance with Chapter 8 (commencing with Section 54900) of Part 1 of Division 2 of Title 5 of the Government Code, shall not receive any allocation pursuant to this section for the following fiscal year.

(g) For purposes of the calculations made pursuant to this section or its predecessor for the 1993–94 and 1998–99 fiscal years, the amount of property tax revenue allocated to the county, a city, a special district, a school district, community college district, or an Educational Reserve Augmentation Fund in the prior fiscal year shall be that amount as determined pursuant to Section 96.1, as modified or as provided in Article 3 (commencing with Section 97).

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.52. Notwithstanding any other provision of law, the property tax apportionment factors applied in allocating property tax revenues in the County of Santa Barbara for the Carpinteria-Summerland Fire Protection District, the Montecito Fire Protection District, and the Orcutt Fire Protection District for the 1993–94 fiscal year through and including the 1996–97 fiscal year shall be deemed correct. However, commencing with the 1997–98 fiscal year, property tax apportionment factors applied in allocating property tax revenue for these fire protection districts in the County of Santa Barbara shall be determined on the basis of apportionment factors for prior fiscal years that have been corrected or adjusted as would be required in the absence of the preceding sentence.

(Added by Stats. 1999, Ch. 567, Sec. 2. Effective January 1, 2000.)

96.6. (a) Notwithstanding any other provision of law, for the purposes of this chapter, the apportionment of property tax revenues required by Article 1 (commencing with Section 95) to Article 4 (commencing with Section 98), inclusive, shall not involve the subtraction of the redevelopment increment, calculated pursuant to subdivision (b) of Section 33670 of the Health and Safety Code, from any jurisdiction that is not within the boundaries of a redevelopment project area. For each fiscal year, if, in performing the calculations set forth in subdivision (a) and in subdivision (b) of Section 33670 of the Health and Safety Code, the auditor determines that there is redevelopment increment to be allocated to a redevelopment agency, the auditor shall withdraw that redevelopment increment determined pursuant to Section 33670 of the Health and Safety Code from those ad valorem property tax revenue allocations to be made to each jurisdiction within the boundaries of the relevant redevelopment project area. Each of those jurisdiction's share of that redevelopment increment shall be computed on the basis of the factors or rates which are developed pursuant to Section 96.5. In order to determine each jurisdiction's share of that redevelopment increment, the factors or rates for all tax rate areas that are part of a redevelopment project shall be applied to the current assessed value of the taxable property within the redevelopment project area, less the assessed valuation on the assessment roll last equalized prior to the effective date of the ordinance establishing the redevelopment project. Nothing in this section shall be construed as prohibiting a county from making the allocation and payment of funds as provided for by subdivision (b) of Section 33670 of the Health and Safety Code prior to the apportionment of property tax revenues to any jurisdiction.

(b) The amendment of subdivision (a) made by the act adding this subdivision does not constitute a change in, but is declaratory of, existing law. However, any apportionment of property tax revenues made prior to the effective date of the act adding this subdivision that is inconsistent with the provisions of subdivision (a), as amended by the act adding this subdivision, shall be deemed correct.

(c) (1) For the 2001–02 fiscal year, and each succeeding fiscal year thereafter, if the auditor of the County of Stanislaus determines that the withdrawal of the redevelopment increment from jurisdictions within the boundaries of the relevant redevelopment project area, on a project area basis as outlined in subdivision (a), results in jurisdictions receiving larger allocations of taxes than they otherwise would have received in the absence of redevelopment, the auditor may then determine if there is a redevelopment increment on a tax rate area basis and make withdrawals of the redevelopment increment from jurisdictions on a tax rate area basis to ensure that tax allocations to jurisdictions in the relevant redevelopment project are consistent with constitutional provisions and court rulings requiring that tax allocations to jurisdictions may never be more than they otherwise would have received without redevelopment.

(2) Any apportionment of property tax revenues made prior to January 1, 2003, that is inconsistent with this subdivision shall be deemed correct.

(Amended by Stats. 2002, Ch. 500, Sec. 2. Effective January 1, 2003.)

96.7. In the case of any county taking over the responsibilities of an independent local health special district created pursuant to Chapter 6 (commencing with Section 880) of Part 2 of Division 1 of the Health and Safety Code, as enacted by Chapter 60 of the Statutes of 1939, for purposes of computations pursuant to this chapter, the amount of state assistance payments with respect to that county shall be increased by five hundred four thousand nine hundred fifty-seven dollars (\$504,957).

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.8. (a) On or before August 1, 1982, and on or before August 1 of each year thereafter, any jurisdiction may request that the amount computed for it pursuant to this chapter be reduced for the current fiscal year by a specified amount. Upon receiving a request as so described, the county auditor shall compute an effective tax rate reduction by dividing the amount of property tax revenue to be reduced by the taxable assessed value on the secured roll of the jurisdiction and multiplying the quotient by 100. The effective tax rate reduction shall be applied to the taxable assessed value on each secured roll tax bill for property within the jurisdiction, and the resulting amount shall be subtracted from the property tax owed by the taxpayer which is attributable to the tax rate provided by subdivision (b) of Section 2237. This subtracted amount shall be shown on each such tax bill with a notation reading: "Tax reduction by (name of jurisdiction)." The same effective tax rate reduction shall be applied in a comparable manner to the taxable assessed value on the next succeeding unsecured roll tax bill for property within the jurisdiction, except that for the 1981–82 fiscal year any such rate reduction used on that year's unsecured roll shall be equal to the 1980–81 rate divided by four.

(b) Notwithstanding any other provision of law, if a school entity acts pursuant to subdivision (a), the state shall not increase school apportionments to that school entity to make up the reduction in property tax revenues.

(c) Effective tax rate reductions made pursuant to this section shall not be taken into account in computing property tax allocations pursuant to this chapter, except that for the 1981–82 fiscal year any rate reduction used on that year's unsecured roll shall be equal to the 1980–81 rate divided by four.

(Added by Stats. 1994, Ch. 1167, Sec. 3. Effective January 1, 1995.)

96.81. Notwithstanding any other provision of law, the property tax apportionment factors applied in allocating property tax revenues in a county for which a Controller's audit conducted under Section 12468 of the Government Code between July 1, 1993, and June 30, 2001, determined that an allocation method was required to be adjusted and a reallocation was required for prior fiscal years, are deemed to be correct. However, for the 2001-02 fiscal year and each fiscal year thereafter, property tax apportionment factors applied in allocating property tax revenues in a county described in the preceding sentence shall be determined on the basis of property tax apportionment factors for prior fiscal years that have been fully corrected and adjusted, pursuant to the review and recommendation of the Controller, as would be required in the absence of the preceding sentence.

(Added by Stats. 2004, Ch. 211, Sec. 19. Effective August 5, 2004.)