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No-Property-Tax Cities After Proposition 13

Assembly Revenue and Taxation Committee

Assembly Local Government Committee

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NO - PROPERTY - TAX CITIES AFTER PROPOSITION 13



A Briefing Book
Prepared by the Staffs of the

ASSEMBLY REVENUE AND TAXATION COMMITTEE

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for
JOINT COMMITTEE INTERIM HEARING

November 6, 1980
Rolling Hills Estates

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PREFACE

This report is designed to provide members of the Assembly Revenue and Taxation Committee and the Assembly Local Government Committee, as well as witnesses, with a background on the status of no-property-tax cities after Proposition 13 and an overview of the issues and options to be discussed at the interim hearing on November 6, 1980.

The pink page at the beginning of this report provides a summary of the issues, questions and legislative options. The white pages comprise the background report and analysis of policy issues and legislative options. The green pages contain appendices.

This briefing book was prepared by Ellen Worcester and Bob Leland, consultants to the Assembly Revenue and Taxation Committee, and Julie Castelli Nauman, Principal Consultant to the Assembly Local Government Committee.

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SUMMARY

NO-PROPERTY-TAX CITIES AFTER PROPOSITION 13

Issue

There are 31 California cities that currently receive no property tax allocation under the system established by AB 8. Is there a need to change this situation, and if so, how?

Questions

1. What characteristics set these 31 cities apart from other California cities in terms of need for supplemental revenue?

2. What policy considerations are raised by this proposed departure from the framework of AB 8?

Legislative Options

1. Allocate a portion of the property tax "base" to no-property-tax cities.

2. Allocate a portion of the annual property tax "increment" attributable to assessed value growth to no-property-tax cities.

3. Follow either option 1 or 2, but apply it to only those cities with the highest identified "need".

4. Make no change in the current allocation system, allowing no-property-tax cities to seek out other sources of supplemental revenue.

BACKGROUND

Requirements of Proposition 13

Proposition 13 placed a limit on local property taxes of no more than 1% of full cash value, and provided that the Legislature determine how that revenue is to be distributed among local jurisdictions.

Section 1(a) of Article XIII A reads as follows:

The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent (1%) tax to be collected (sic) by the counties and apportioned according to law to the districts within the counties.

First Year "Bailout"--SB 154

In the first fiscal year following the adoption of Proposition 13 the Legislature provided for a temporary system of financing local government. SB 154 of 1978, the local government "bailout" bill, provided a method for distributing the proceeds of the 1% tax to each entity of local government and also provided for the distribution of state assistance to make up in part for local property tax losses. The overall policy of SB 154 was to maintain the relative pre-13 fiscal positions of all local governments, requiring each to sustain an approximate 10% reduction in revenue from the prior fiscal year. Thus, SB 154 did not result in any revenue redistribution nor in any adjustment in the relative fiscal positions of local entities.

SB 154 provided that in 1978-79 the countywide proceeds of the 1% property tax--a \$4.00 rate under the 25% assessment ratio--were to be distributed pro rata to local agencies. The basis for the pro rata distribution was the average percentage of annual property tax revenue collected (exclusive of levies for debt retirement) by that city, county or district over the prior three fiscal years. Therefore, only agencies which levied a property tax sometime during the three years prior to the adoption of Proposition 13 were entitled to "bailout" under SB 154.

For further description of SB 154, see "Summary of Legislation Implementing Proposition 13", published by the Assembly Revenue and Taxation Committee, July 10, 1978.

Long-term Local Government Finance--AB 8

In 1979, the Legislature enacted a permanent system of post-Proposition 13 local government finance, thereby bringing to an end state "bailout" of local agencies. AB 8, the long term local finance bill, provided for a permanent means of distributing among local agencies the proceeds of the countywide \$4.00 property tax rate, and also provided for state assumption of certain program costs previously financed from the local property tax.

The basic system established by AB 8 ensured that in any fiscal year, a local government will receive property tax revenue equal to what it received in the prior year (called "base"), plus its share of any growth in revenue due to growth in assessed value within its boundaries

(called "increment"). Each year, the "increment" attributable to a.v. growth is added to the previous year's "base", which together become next year's "base" amount. Every year within each county, the sum total of all property tax revenues from levy of the \$4.00 rate is distributed in this manner; there is never any revenue unallocated.

The 1979-80 bases created for each city, county and special district were very close to the combined amounts received the previous year by each agency under SB 154 from its share of property tax plus state "bailout". Thus like the first year bailout, the permanent system set up by AB 8 maintains the relative financial positions of local agencies as they were prior to Proposition 13.

Appendix I breaks down property tax allocations by type of local agency and by county, for fiscal years 1977-78 (the last year prior to Proposition 13), 1978-79, and 1979-80.

For more information on AB 8, see "Long-Term Local Government and School Financing", published by the Senate Local Government Committee, October 29, 1979.

"No-Property-Tax" Cities

Before the adoption of Proposition 13, there were a number of California cities which levied no property tax. These cities were able to finance their municipal services through other sources of revenues, most typically large sales tax receipts and state subventions. Because the financing mechanisms established in both SB 154 and AB 8 were based on prior years' property tax proceeds, these

cities received no permanent property tax allocation. These cities now qualify neither for property tax "base" nor for the "increment" of property tax revenues attributable to growth in assessed value within the city limits, and have been dubbed "no-property-tax" cities.

The 31 California cities now receiving no property tax allocation are listed in Table 1.

It should be pointed out that cities which were incorporated just prior to or after the adoption of Proposition 13 are not "no-property-tax" cities. Two such cities, Lemon Grove and Rancho Cucamonga, which incorporated in June 1978, both receive a property tax allocation as a result of their assumption of service responsibilities from special districts. Two other cities, La Habra Heights and Grand Terrace, which incorporated in November 1978, receive a property tax allocation based on a special allocation of state assistance made in AB 8.

Finally, AB 8 provided a mechanism for assigning a property tax "base" to newly incorporated cities. This procedure has been used for recently incorporated cities such as Avenal, Atascadero and Paradise.

The rationale for allowing new cities to receive revenues is that, unlike the existing cities, they have no proven track record of being able to get along without property tax revenues. It is the right of citizens to petition for the incorporation of a city, and the Legislature has not deprived people of the property tax as a revenue

TABLE 1

NO-PROPERTY-TAX CITIES
JUNE 1980

Contra Costa County

Lafayette
Pleasant Hill

Orange County

Yorba Linda

Los Angeles County

Artesia
Bellflower
Carson
Cerritos
Commerce
Cudahy
La Canada-Flintridge
La Mirada*
Lancaster
La Puente
Lawndale
Lomita
Norwalk*
Palmdale
Paramount
Pico Rivera
Rolling Hills Estates
Rosemead
South El Monte
Temple City

Riverside County

Palm Desert
Rancho Mirage

San Bernardino County

Victorville

San Mateo County

Coloma
Foster City

Ventura County

Camarillo
Simi Valley
Thousand Oaks

* Began receiving property tax in 1980-81 fiscal year because of dissolution of Southeast Los Angeles Park and Recreation District, and assumption by these cities of district's property tax base.

source if it is needed for a new city--for which there is local support--to succeed. Extending property taxes to that entity, however, comes with the full realization that every other jurisdiction in the county will have that much less property tax revenue, which is the price that must be paid for "more government".

Cities' Need For Property Tax Revenues

During the 1980 legislative session, the no-property-tax cities came to the Legislature with a request that they be provided an allocation of property tax revenues. This proposal, in the form of AB 2742 (Bannai), was sent to interim study by the Assembly Revenue and Taxation Committee. (See Appendix II for text and bill analysis.)

These cities advance three major arguments in support of their request for property taxes, which are outlined below.

Equity. Before Proposition 13, each taxing jurisdiction in a county levied a tax rate sufficient to support the services it provided. Residents throughout the county paid different tax rates depending on the combination of agencies serving them. But now, even though all county residents pay a fixed \$4.00 rate, agencies within the county receive varying allocations based on their pre-13 share of the revenues. This means a no-property-tax city resident is paying the \$4.00 tax rate, but none of the proceeds go to the city to pay for services. At the same time, residents of a neighboring community pay the same \$4.00 rate, a portion of which is allocated to the city to support government operations.

No-property-tax cities argue that they, in effect, are "exporting" revenue, or "subsidizing" other jurisdictions in the county, and deserve a "fair share" of the total property taxes raised in the county.

Need. The no-property-tax cities argue that just because they were able to get by without property tax revenue in the past doesn't mean that they will never need it in the future. The cities cite service obligations that are growing at a rate which outpaces revenue growth, for reasons such as inflation and uneconomic annexations. Some cities have subsidized from their own general funds revenue shortfalls of the special districts providing public safety and recreation services within city boundaries. Others emphasize the inflexibility or instability of the revenue sources they are now forced to rely upon, such as fees and charges or sales taxes, arguing that a stable source such as the property tax will facilitate future budget planning and controlled growth of city services.

Development Incentive. No-property-tax cities argue that they have little incentive to approve residential development, since they now do not receive increased revenue from the resulting growth in assessed valuation. Providing a property tax allocation would remove this disincentive.

Policy Issues Involved

The request by no-property-tax cities for some allocation of property tax revenues raises several policy issues.

1. Replacement of Lost Property Taxes. As emphasized in the Background section, the basis of AB 8's long-term finance mechanism was replacement of property tax revenues lost as a result of Proposition 13. No-property-tax cities did not fit into this scheme because they had no property taxes in the first place, and thus had no loss to replace.

The existing demand for revenue is far in excess of the available supply. Is it equitable to allow such cities to receive property tax revenues at the expense of the county, special districts and perhaps other cities which did lose property tax revenues under Prop. 13, and which do need replacement revenues?

The argument may be made that just because a city chose not to levy a property tax in the past doesn't mean it might not desire to do so in the future, perhaps because of increased service demands. However, is not such a city still better off than other cities which lost half of their prior property tax revenue? The no-property-tax cities were apparently able to maintain an adequate level of services in years past by reliance on revenue sources other than the property tax. Data indicate a continued growth in all non-property tax revenue sources from pre-13 levels.

2. "Zero-sum" Game. The \$4.00 countywide property tax rate produces a fixed sum of revenues. To allocate a portion of this fixed sum to a city not now receiving property tax

revenues requires an equivalent reduction for other agencies within the county.

This also raises the further question of how the reduction would be shared among the other agencies. Should some agencies be "excused" from having to forego any of their own property tax revenues? If so, the amount taken from the remaining agencies will be that much larger.

3. "Loss Replacement" vs. "Need" as Basis for Property Tax Allocation. The intent of AB 8 was not to redistribute fiscal resources among local agencies nor to allocate revenues based on "need". Acquiescence to the request of the no-property-tax cities to provide property tax revenues according to cities' fiscal need would represent a fundamental departure from the policy of AB 8.

Can "need" be equally demonstrated by all 31 cities? In what ways are these cities similar, or different in nature? Are some cities more deserving than others? (See Profile of the 31 Cities, pages 13-16.)

4. Equity vs. Subsidy. Currently, all property owners in the state pay the same basic \$4 tax rate, no matter how much "government" they get.* The same \$4 rate applies to a taxpayer in a city which is receiving property tax revenues, as well as a taxpayer in a city not receiving property taxes.

* A mechanism now exists in AB 8 for a local agency to reduce its property tax allocation, and in effect reduce the tax rate below \$4 for taxpayers within that tax rate area(s). It is unknown how many taxpayers, if any, may be paying less than a \$4 rate at present.

However, no-property-tax cities are not the only agencies that may be "exporting" tax revenues, that is, subsidizing other jurisdictions within the county. Since the property tax is allocated based on an agency's pre-13 share of the property tax, all formerly lower-tax-rate agencies are essentially subsidizing those formerly higher-tax-rate agencies.

Modifying the allocation system to address this subsidization effect for no-property-tax cities only could open up the entire AB 8 allocation system for re-examination, a far larger undertaking than the present concern for the no-property-tax cities only.

5. New Revenue Sources. Obtaining a "new" source of revenue in this manner is akin to levying a "special tax". Proposition 13 provided that cities may obtain new sources of revenue (except from a property tax) but only upon a two-thirds vote of the electorate. Would providing a share of the existing \$4.00 property tax to no-property-tax cities thus be in violation of the intent of Proposition 13, either because it is a new property tax revenue source or because it would be obtained without approval of two-thirds of the electorate? Any other city must obtain a two-thirds vote of its electorate to receive a new revenue source.

6. Prop. 4 Limits. It is not clear where these 31 cities stand in relation to their Prop. 4 appropriations limits. Any cities at or close to their limits may go over if they attempt to spend additional revenues received in

the form of a new property tax allocation. Revenues received in excess of appropriations must be returned to the taxpayers (or used for an "exempt" purpose, such as debt retirement). Would it be an efficient use of scarce resources to reallocate property taxes in a way that takes revenues from one entity and gives it to another, which must return that revenue to its own taxpayers?

7. State Impact. As raised in the second policy issue above, allocating revenues to no-property-tax cities means a reduction in the allocations to other entities in that county. If such legislation is drafted so that property taxes to schools are reduced, the state must make a dollar-for-dollar increase in state apportionments to those schools.

8. Approval of New Development. Currently, no-property-tax cities may be reluctant to approve any new development (particularly residential development). Residential development generates primarily property tax revenue (which a no-property-tax city cannot share in), whereas commercial development generates other types of revenue such as sales taxes, hotel room surtaxes, and others. A no-property-tax city which approves new residential development would receive no revenue to offset the cost of providing services.

To allow these cities to share in the property tax may eliminate some of this disincentive to approve such development. However, controversy existed prior to Prop 13 as to whether some types of development, especially residential,

"paid it own way". Post-13, with much less property tax revenue from such development than before, it can only be less able to "pay its own way". Thus, it is not entirely clear whether receiving a relatively small share of property taxes will be the controlling factor in whether or not future developments would be approved by a no-property-tax city.

Profile of the 31 No-Property-Tax Cities

The Assembly Office of Research has conducted a study of the fiscal characteristics of the 31 no-property-tax cities, in an attempt to identify any unique aspects of these cities' fiscal conditions which may set them apart from other California cities. The study report is attached in full as Appendix III.

The study approach was to look at a number of indicators of city revenue capacity and expenditure obligations, and compare the average figures for the 31 no-property-tax cities to average figures for the 387 other California cities (excluding San Francisco), as well as to a subset of 97 cities more similar to the no-property-tax cities.

While the use of averages admittedly describes a mythical city that does not illustrate each city's unique circumstances, this method nonetheless does give a broadbrush perspective on the things that set no-property-tax cities as a group aside from other cities.

However, AOR's survey also functions to point out that there are many distinct differences between the 31 no-property-tax cities themselves.

Salient findings are summarized here. Refer to Appendix III for the complete study.

Service Responsibility. One of the characteristics that immediately sets the 31 cities apart as a group from many other California cities is that virtually all (28 out of 31) provide no fire service. Furthermore, 27 of the 31 provide no library service. In each instance, the service is provided by an overlapping special district which has its own property tax revenue. For this reason, AOR in its study selected for comparative purposes a subset of 97 California cities more closely comparable to the no-property-tax cities in that they too do not provide fire service.

Revenue from All Sources. On the average, the 31 no-property-tax cities have just over half the per capita revenue from all sources (\$166) that the other 387 California cities have (\$330). However, the difference in average revenue per capita between the no-property-tax cities and the 97 comparable cities is much smaller--\$166 per capita vs. \$219 per capita respectively. Thus compared with like cities in terms of expenditure requirements, the total revenue of no-property-tax cities on average is lower by approximately 25%. The components of this revenue "short-fall" are touched on below.

Property Taxes. All other California cities receive on average 15% of their total revenues from the property tax. For the subset of 97 cities similar to no-property-tax cities, property taxes average 12% of total receipts. In the 31 cities, obviously, it is 0%.

Federal Grants. For reasons not entirely clear, the no-property-tax cities receive on average less than half the per capita federal grants (exclusive of revenue sharing)--\$15--than the 97 other cities receive--\$33.

Other Revenues. In the categories of other local taxes, service charges and other miscellaneous sources of income, no-property-tax cities also receive noticeably less revenue per capita than the comparable 97 cities.

Sales Taxes. Compared with their 97 counterparts without fire service responsibility, the no-property-tax cities receive more in per capita sales tax revenues--\$59 compared with \$50. This offsets to some degree the lesser revenue yield in the categories listed above, but the net effect remains that no-property-tax cities have lower total revenue per capita.

Upcoming Revenue Losses. Several no-property-tax cities face substantial declines in future state shared revenues (vehicle license fees, cigarette taxes, gas taxes, and others) after the results of the 1980 census are released.* Particularly hard hit will be new cities--incorporated since the 1970 census--which currently receive subventions based on estimated population calculated by multiplying registered city voters by three. It has become clear that this formula overestimated actual population, as counted in the 1980 census. Other no-property-tax cities face such reductions in state subventions due to actual population declines since 1970. It should

* La Canada-Flintridge, Lancaster, Norwalk, Paramount, Pico Rivera, and South El Monte.

be emphasized that a number of California cities that do receive property tax allocations will also be subject to reductions in state subventions due to 1980 census recalculations.

Differences Among No-Property-Tax Cities. Several marked differences in the fiscal conditions of the 31 cities were also brought to light by the AOR survey. For example, two cities--Coloma and Commerce--have extremely high sales tax revenues, up to eight times as high as the state average sales tax revenue per capita. As another example, growth in total city revenues from 1978-79 to 1979-80 ranged from a decline of 4.3% (for Lawndale) to an increase of 32.1% (in Rolling Hills Estates). Finally, two cities previously included in the group of no-property-tax cities (La Mirada and Norwalk) have assumed the property tax base of a dissolved special district, raising the question whether they still qualify as "no-property-tax" cities.

Legislative Options

There are various options open to the Legislature in dealing with these no-property-tax cities. A range of options is given below, with a brief description of each, and comments as to how that option addresses the policy issues previously raised.

OPTION I - ALLOCATE A PORTION OF THE BASE AMOUNT OF PROPERTY TAX TO THE NO-PROPERTY-TAX CITIES

Description

Under this option, no-property-tax cities would be entitled to a share of the property tax generated within

the city. All other local agencies with service responsibilities within the city which currently share in the property tax revenue generated in the city would have those shares reduced, presumably on a proportional basis.

Comments

1. Entitlement to Increment. If these cities are allocated a "base" share of property tax they would also automatically be entitled to receive a share of the annual tax increment in future years.

2. Recalculation of Allocation Factors. Since the county auditors have calculated an allocation factor for each local agency which receives property tax revenues and these factors are used annually in making allocations of the increment, the inclusion of another agency (a no-property-tax city) in the group of agencies sharing property tax revenues from a given tax rate area would necessitate a one-time recalculation of the allocation factors for all local agencies in each tax rate area within the city. This could be quite complex and costly.

3. Cost of Providing Services. These cities, as is currently the case with all other cities, would receive property tax revenues generated by any new development within the city. The revenue would be available to offset the increase in service costs which a city must bear to provide services to new developments.

4. Guarantee of Annual Property Tax Revenue. By allocating these cities a share of the "base", in any given

year, these cities will be assured of receiving at least the same amount of property tax as they received in the prior year. Thus even if there was no growth in assessed value-- a zero increment--these cities would still receive a property tax allocation. If there was a decline in assessed value from one year to the next, these cities, like all local agencies currently receiving property tax revenues, would realize a proportionate reduction in their allocation.

5. Policy Issues. The full import of the policy issues previously raised applies to this option. Option I results in the greatest loss of revenues to other agencies in the county, and creates the greatest potential Prop. 4 impact.

OPTION II - ALLOCATE A PORTION OF THE ANNUAL TAX INCREMENT
TO THE NO-PROPERTY-TAX CITIES

Description

Under this option the no-property-tax cities would not receive any property tax revenues from current collections, but would be entitled to receive a share of the annual tax increment which is due to growth in assessed value within the city. This is the approach taken in AB 2742 (Bannai).

Comments

1. Growth Issues. Option II allows these cities to receive property tax revenue from new development which is served by such cities, and eliminates the potentially significant disincentive for approving new non-commercial development within the city.

2. "Loss" to Other Agencies Mitigated. Since the city would share in the property tax only to the extent that there is an increase in assessed value within the city, no other local agency would actually lose current property tax revenues, i.e., there would be no reduction in any other agencies' base, only in their future increment.

Some of this future increment from a.v. growth might never have accrued to the other local agencies, if the no-property-tax city had declined to approve any development. However, most increment comes from the annual 2% inflation increase in assessments and from "change in ownership" reappraisals, over which the city has no control. Thus, to the extent that a no-property-tax city would share in that portion of the increment due to the 2% annual adjustment and changes in ownership, it could be argued that the property tax share counted on by all other local agencies within the city would be reduced.

3. Calculation of Share of the Increment. There are two ways to deal with allocating a portion of the increment to a no-property-tax city. Under one approach, the city would receive a fixed portion of the increment annually "off the top"--(for example, 6%)--with the remainder of the increment allocated to the other agencies within the tax rate area. Thus the amount of property tax revenues received in any year by one of these cities would be determined solely on basis of the amount of the increment for

that particular year. If there were no growth in assessed value or a decline in assessed value for that year, the city would receive no property tax revenue.

Under the other approach, the city would receive a fixed portion of the increment annually, but the amount received in the first year would become a "base" for the city. Thus for the following year and every year thereafter the city would receive not only its fixed percentage share of the increment, but it would also receive an amount equal to its base amount for the prior year plus a portion of the increment attributable to this base amount. Thus, even if there was no growth in assessed value for a particular year, the city would still receive an allocation of property tax revenues, which would further reduce the revenue "pot" available for all other agencies.

4. Recalculation of Allocation Factors. As with Option I, if no-property-tax cities are allocated a portion of the increment, and this increment becomes a base share for such cities, the auditor would be required to recalculate the allocation factors for all local agencies in each tax rate area within the city.

OPTION III - GRANT EITHER INCREMENT ONLY OR BASE PLUS INCREMENT TO ONLY SOME OF THE 31 NO-PROPERTY-TAX CITIES

Description

Based on a tight definition reflecting "need", only some of the 31 no-property-tax cities would receive a share of revenues, under either the Option I or Option II approach.

Comments

1. Priorities. Rather than lumping all 31 cities together, this option recognizes that valid distinctions can be drawn, saying in effect that some of these cities are more needy than others, and that, cognizant of the revenue loss/shift and Prop. 4 implications of Option I, not all cities should receive a revenue share.

2. AOR Report. The AOR study attached as Appendix III provides some basic information which may aid in this prioritization. For example, maybe only cities with a certain level of per capita expenditures should qualify, or maybe only those with severe limits on revenue from a variety of sources. Or perhaps only those formed since 1970, which relied on the registered-voter-times-three factor in lieu of actual population to allocate certain state subventions, where this level of funding may drop precipitously in light of the new 1980 census figures.*

OPTION IV - NO CHANGE IN CURRENT ALLOCATION SYSTEM

Description

Under this option the no-property-tax cities would not receive any property tax revenues from either current collections or from the annual tax increment due to growth in assessed value within the city.

Comments

1. Status Quo. Obviously, Option IV involves no added county administrative expense, no revenue shifting or losses,

* Keep in mind that other California cities which do receive property tax allocations will also be subject to subvention reductions based on the 1980 census. They could argue they also need special state fiscal assistance.

and no new Prop. 4 impacts. The no-property-tax cities would in effect be told to raise the relatively small amount of new revenue being discussed by an alternative means, such as by a "special tax".

2. Alternative Revenue Sources. On the other hand, a two-thirds vote is an extraordinary requirement, and such a new tax may not be approved. And if it were, it may be argued that these no-property-tax city taxpayers would be required to pay twice for services, because payment of the special taxes would be made in addition to payment of the basic \$4.00 property tax rate, no portion of which is returned to the city.

PROPERTY TAX ALLOCATIONS
TO LOCAL AGENCIES,
PRE- AND POST-PROPOSITION 13

SUMMARY OF PROPERTY TAX REVENUES IN 1977-78 AND 1978-79
(in thousands of dollars)

<u>1977-78</u>	<u>CITIES</u>	<u>COUNTIES (a)</u>	<u>SCHOOLS</u>	<u>SPECIAL DISTRICTS</u>	<u>TOTALS</u>
Levies	\$1,044,859	\$3,055,252	\$5,492,758	\$ 945,476.	\$10,538,345
Subventions	123,585	348,585	600,000	98,569	1,171,701
Levies+Subventions	1,168,444	3,403,837	6,093,720	1,044,045	11,710,046
Redevelopment	21,417	54,439	93,740	9,832	179,428
Levies+Subv.-Redev.	1,147,027	3,349,398	5,999,980	1,034,213	11,530,618
Debt	74,372	44,340	452,443	280,737	851,892
Levies+Subv.-Redev.- Debt	\$1,072,655	\$3,305,058	\$5,547,535	\$ 753,476	\$10,678,726
<u>1978-79</u>	<u>CITIES</u>	<u>COUNTIES</u>	<u>SCHOOLS</u>	<u>SPECIAL DISTRICTS</u>	<u>TOTALS</u>
Levies	\$ 481,379	\$1,335,817	\$2,654,187	\$ 564,513	\$ 5,035,896
Subventions	52,660	140,441	282,335	50,185	525,621
Levies+Subventions	534,039	1,476,258	2,936,522	614,698	5,561,517 (1)
Redevelopment	12,041	28,310	55,383	9,461	105,195 (2)
Levies+Subv.-Redev.	521,998	1,447,948	2,881,139	605,237	5,456,322 (3)
Debt	73,993	43,295	472,599	299,081	888,968 (4)
Levies+Subv.-Redev.- Debt	\$ 448,005 (6)	\$1,404,653 (7)	\$2,408,540 (8)	\$ 306,156 (9)	\$ 4,567,354 (5)
				<u>SPECIAL DISTRICTS OTHER THAN REDEVELOPMENT</u>	<u>TOTAL EXCLUDING REDEVELOPMENT</u>
<u>1979-80</u>	<u>CITIES</u>	<u>COUNTIES</u>	<u>SCHOOLS</u>		
Levies	\$ 728,183	\$1,791,246	\$2,223,581	\$ 774,542	\$ 5,517,552
Subventions	51,459	157,973	244,055	70,848	524,335
Levies+Subventions	779,459	1,949,219	2,467,636	845,390	6,041,887 (3)
Debt	72,601	41,105	480,253	299,089	893,048 (4)
Levies+Subv.-Debt	\$ 707,041 (6)	\$1,908,114 (7)	\$1,987,383 (8)	\$ 546,301 (9)	\$ 5,148,839 (5)

(a) San Francisco is a county, not a city

(b) Due to non-comparability of tax from 1978-79 to 1979-80, the following indicates percentage changes:

<u>Comparable Data Data Set</u>	<u>Percent Increase from 1978-79 to 1979-80</u>
(1)	11.3%
(2)	43.3%
(3)	10.7%
(4)	.5%
(5)	12.7%
(6)	57.8%
(7)	35.8%
(8)	-17.5%
(9)	78.4%

SOURCE: State Board of Equalization
May, 1980

COMPARISON OF 1978-79 & 1979-80 PROPERTY TAX REVENUES BY TYPE OF DISTRICT
(in thousands of dollars; includes levies & subventions; excludes
revenues for redevelopment agencies & voter approved debt service)

	CITIES			COUNTIES			SCHOOLS			SPECIAL DIST.			TOTAL		
COUNTY	1978-79	1979-80	% Change	1978-79	1979-80	% Change	1978-79	1979-80	% Change	1978-79	1979-80	% Change	1978-79	1979-80	% Change
Alameda	32,987	54,486	65.2	57,112	80,303	40.6	99,305	50,097	-49.6	20,743	35,484	71.1	210,147	220,370	4.9
Alpine	---	---	---	528	595	12.7	123	115	-6.5	44	43	-2.3	695	753	8.3
Amador	178	259	45.5	1,859	2,663	43.2	2,976	2,894	-2.8	101	127	25.7	5,114	5,943	16.2
Butte	954	1,485	55.7	6,076	6,702	10.3	16,755	16,995	1.4	2,329	3,843	65.0	26,114	29,025	11.1
Calaveras	27	53	96.3	1,172	1,837	56.7	3,767	3,517	-6.6	488	929	90.4	5,454	6,336	16.2
Colusa	254	339	33.5	2,090	2,465	17.9	3,389	3,256	-3.9	568	650	14.4	6,301	6,710	6.5
Contra Costa	13,063	20,208	54.7	39,206	50,978	30.0	85,826	60,713	-29.3	22,185	37,935	71.0	160,280	169,834	6.0
Del Norte	50	72	44.0	1,049	1,224	16.7	1,994	2,027	1.7	248	430	73.4	3,341	3,753	12.3
El Dorado	1,362	2,046	50.2	5,756	8,368	45.4	10,396	9,522	-8.4	3,254	4,963	52.5	20,768	24,899	19.9
Fresno	10,190	15,032	47.5	33,443	39,114	17.0	50,136	46,899	-6.5	11,461	15,957	39.2	105,230	117,002	11.2
Glenn	433	508	17.3	2,240	2,608	16.4	4,565	4,073	-10.8	389	451	15.9	7,627	7,640	.2
Humboldt	1,015	1,455	43.3	7,032	8,339	18.6	11,421	10,465	-8.4	1,230	1,970	60.2	20,698	22,229	7.4
Imperial	1,639	2,322	41.7	4,331	5,693	31.4	8,865	7,943	-10.4	440	712	61.8	15,275	16,670	9.1
Inyo	98	136	38.8	1,874	2,263	20.8	3,198	3,162	-1.1	284	467	64.4	5,454	6,028	10.5
Kern	5,861	7,570	29.2	47,211	62,928	33.3	61,527	63,461	3.1	5,926	21,700	266.2	120,525	135,659	12.6
Kings	696	1,153	65.7	4,733	7,564	59.8	6,920	5,472	-20.9	934	1,434	53.5	13,283	15,623	17.6
Lake	118	181	53.4	2,132	3,382	58.6	4,100	3,958	-3.5	898	1,470	63.7	7,248	8,991	24.0
Lassen	153	208	35.9	1,186	1,329	12.1	2,259	2,401	6.3	166	268	61.4	3,764	4,206	11.7
Los Angeles	176,047	295,542	67.9	492,882	715,737	45.2	629,812	360,029	-42.8	53,493	117,541	119.7	1,352,234	1,488,849	10.1
Madera	440	653	49.4	2,456	4,509	83.5	8,436	9,534	13.0	1,282	1,784	39.2	13,614	16,480	21.1
Marin	6,189	8,325	34.5	11,850	18,814	58.8	30,842	27,074	-12.2	5,709	9,196	61.1	54,590	63,409	16.2
Mariposa	---	---	---	765	1,025	34.0	1,706	1,781	4.4	52	84	61.5	2,523	2,890	14.5
Mendocino	373	588	57.6	5,024	6,565	30.7	8,203	7,693	-6.2	627	1,118	78.3	14,227	15,964	12.2
Merced	1,515	2,119	39.9	8,030	12,127	51.0	13,760	11,914	-13.4	2,017	2,119	5.1	25,322	28,279	11.7
Mojave	91	122	34.1	1,162	1,290	11.0	1,836	1,736	-5.4	174	217	24.7	3,263	3,365	3.1
Monterey	---	---	---	1,573	2,116	34.5	1,953	1,845	-5.5	795	1,161	46.0	4,322	5,122	18.5
Napa	4,926	6,536	32.7	17,217	18,088	5.1	37,017	33,517	-9.5	4,620	6,466	40.0	63,780	64,607	1.3
Nevada	1,682	2,642	57.1	4,661	6,824	46.4	11,884	11,746	-1.2	709	1,074	51.5	18,936	22,286	17.7
Nevada	306	447	46.1	2,794	3,888	39.2	5,847	6,399	9.4	1,450	2,310	59.3	10,397	13,044	25.5
Orange	52,366	58,457	11.5	73,924	78,879	6.6	269,042	269,250	0.1	37,706	61,317	62.6	403,108	467,903	16.1
Placer	982	1,593	62.2	7,072	9,861	39.4	14,505	14,904	2.8	3,022	4,815	59.3	25,581	31,173	21.9
Plumas	44	61	38.6	1,923	1,974	2.7	4,039	4,497	11.3	744	972	30.6	6,750	7,504	11.2
Riverside	9,821	13,782	40.3	32,078	41,455	29.2	60,779	62,207	2.3	11,232	20,391	81.5	113,910	137,835	21.0
Sacramento	10,137	16,900	66.7	37,868	52,585	38.9	53,211	40,007	-24.8	14,480	25,859	78.6	115,696	135,351	17.0
San Benito	286	400	39.9	1,138	1,395	22.6	3,849	3,995	3.8	265	395	49.1	5,538	6,182	11.7
San Bernardino	10,027	16,883	68.4	38,383	52,923	37.9	68,475	57,761	-15.6	16,441	27,905	69.7	133,326	155,472	16.6
San Diego	34,903	55,560	59.2	75,009	98,352	31.1	190,684	197,491	3.6	12,306	26,349	114.1	312,902	377,752	20.7
San Francisco	---	---	---	102,452	156,343	52.6	57,492	16,518	-71.3	981	1,494	52.3	160,925	174,355	8.3
San Joaquin	5,503	8,945	62.5	23,747	32,187	35.5	30,638	24,560	-19.8	6,472	11,092	71.4	66,360	76,784	15.7
San Luis Obispo	2,084	3,275	57.1	11,632	15,194	30.6	20,490	21,280	3.9	3,679	1,887	-48.3	35,888	41,736	16.2
San Mateo	17,236	23,438	36.0	36,375	45,194	24.2	97,438	90,899	-6.7	9,981	15,711	57.4	161,030	175,247	8.8
Santa Barbara	3,086	4,356	41.2	16,471	22,765	38.3	35,368	34,741	-1.8	5,350	6,477	21.1	60,773	68,569	12.8
Santa Clara	24,442	37,602	53.8	61,270	82,052	33.9	165,946	161,603	-2.6	12,458	18,938	52.0	264,116	300,195	13.7
Santa Cruz	2,022	2,925	44.7	9,018	10,784	19.6	21,168	21,883	3.4	2,361	3,595	52.3	34,569	39,187	13.4
Shasta	1,266	1,525	22.8	5,610	6,740	20.1	12,828	15,452	20.5	1,394	2,030	45.6	21,988	25,267	15.1
Sierra	10	15	50.0	510	669	31.2	385	305	-20.8	96	127	32.3	1,001	1,116	11.5
Siskiyou	457	496	8.5	2,547	2,864	12.4	5,350	6,134	14.7	386	425	10.1	8,740	9,919	13.5
Solano	4,854	8,124	67.4	10,673	16,837	57.8	17,620	12,711	-27.9	2,022	3,247	60.6	35,169	40,919	16.3
Sonoma	3,621	5,755	58.9	16,982	23,388	37.7	34,312	32,461	-5.4	3,098	4,980	60.7	58,013	66,584	14.8
Stanislaus	3,179	4,808	51.2	14,547	16,608	14.2	31,451	34,828	10.7	1,976	3,019	52.8	51,153	59,263	15.9
Sutter	756	1,171	54.9	4,065	5,095	25.3	7,388	6,777	-8.3	857	1,458	70.1	13,066	14,501	11.0
Tahama	312	509	63.1	2,282	3,032	32.9	4,344	4,356	.3	260	624	140.0	7,198	8,521	18.4
Trinity	---	---	---	1,041	1,119	7.5	1,192	1,459	22.4	102	151	48.0	2,335	2,729	16.9
Tulare	1,865	3,066	64.4	12,430	18,186	46.3	19,852	17,929	-9.7	2,478	3,515	41.8	36,625	42,696	16.6
Tuolumne	107	148	38.3	2,713	3,323	22.5	3,859	4,283	11.0	445	684	53.7	7,124	8,438	18.4
Ventura	5,292	8,134	53.7	24,854	36,671	47.5	50,779	44,701	-12.0	12,809	23,525	83.7	93,734	113,231	20.8
Yolo	2,360	3,675	55.7	6,653	9,267	39.3	13,157	11,012	-16.3	1,788	2,651	48.3	23,958	26,605	11.0
Yuba	342	491	43.6	2,369	3,034	28.1	3,211	3,151	-1.9	351	665	89.5	6,273	7,341	17.0
TOTAL	448,005	707,041	57.8	1,404,653	1,908,114	35.8	2,408,540	1,987,383	-17.5	306,156	546,301	78.4	4,567,354	5,148,839	12.7

COMPARISON OF 1977-78 and 1978-79 PROPERTY TAX LEVIES FOR CITIES
(in thousands of dollars)

1977-78 - CITIES

1978-79 - CITIES

COUNTY	LEVIES	STATE SUBVENTION	LESS REDEVELOPMENT	TOTAL	DEBT SERVICE	NET	LEVIES	STATE SUBVENTION	LESS REDEVELOPMENT	TOTAL	DEBT SERVICE	NET
Alameda	87,787	10,348	821	97,314	3,560	93,754	33,006	4,217	630	36,593	3,606	32,987
Alpine	-	-	-	-	-	-	-	-	-	-	-	-
Amador	249	49	-	298	18	280	184	16	-	200	22	178
Butte	1,715	288	-	2,003	112	1,891	945	107	-	1,052	98	954
Calaveras	77	14	-	91	23	68	46	3	-	49	22	27
Colusa	295	70	-	365	8	357	244	18	-	262	8	254
Contra Costa	31,228	6,260	509	36,979	2,063	34,916	14,271	1,480	282	15,469	2,406	13,063
Del Norte	69	9	-	78	-	78	42	8	-	50	-	50
El Dorado	2,349	144	-	2,493	47	2,446	1,337	84	-	1,421	59	1,362
Fresno	17,463	3,054	155	20,362	357	20,005	9,386	1,080	100	10,366	176	10,190
Glenn	546	135	1	680	18	662	419	32	1	450	17	433
Humboldt	2,296	381	59	2,618	43	2,575	1,435	234	48	1,621	606	1,015
Imperial	3,323	613	9	3,927	269	3,658	1,685	166	8	1,843	204	1,639
Inyo	171	15	-	186	-	186	93	5	-	98	-	98
Kern	8,962	1,460	15	10,407	926	9,481	6,163	369	25	6,507	646	5,861
Kings	1,455	292	6	1,741	76	1,665	652	84	2	734	38	696
Lake	224	65	-	289	27	262	121	11	-	132	14	118
Lassen	256	42	-	298	14	284	149	16	-	165	12	153
Los Angeles	474,206	50,349	14,634	509,921	34,690	475,231	195,185	22,332	7,483	210,034	33,987	176,047
Madera	893	182	-	1,075	214	861	611	58	-	669	229	440
Marin	12,515	995	213	13,297	755	12,542	6,618	503	149	6,972	783	6,189
Mariposa	-	-	-	-	-	-	-	-	-	-	-	-
Mendocino	727	140	-	867	74	793	405	43	-	448	75	373
Merced	3,251	565	74	3,742	108	3,634	1,518	180	39	1,659	144	1,515
Modoc	123	26	-	149	7	142	92	6	-	98	7	91
Mono	-	-	-	-	-	-	-	-	-	-	-	-
Monterey	8,884	946	71	9,759	822	8,937	5,289	383	58	5,614	688	4,926
Napa	3,639	541	60	4,120	85	4,035	1,630	175	32	1,773	91	1,682
Nevada	518	77	-	595	14	581	298	25	-	323	17	306
Orange	86,170	8,236	1,858	92,548	6,116	86,432	45,718	4,458	1,216	48,960	6,594	42,366
Placer	1,588	258	-	1,846	50	1,796	962	91	-	1,053	71	982
Plumas	77	13	-	90	15	75	59	3	-	62	18	44
Riverside	16,350	2,299	149	18,500	981	17,519	10,235	1,042	115	11,162	1,341	9,821
Sacramento	22,409	4,085	389	26,105	1,098	25,007	9,192	1,268	186	10,274	137	10,137
San Benito	419	84	-	503	-	503	259	27	-	286	-	286
San Bernardino	20,050	3,145	310	22,885	698	22,187	9,713	1,148	166	10,695	668	10,027
San Diego	70,341	6,876	314	76,903	4,467	72,436	37,425	3,573	280	40,718	5,815	34,903
San Francisco	-	-	-	-	-	-	-	-	-	-	-	-
San Joaquin	11,833	2,341	56	14,118	1,462	12,656	5,943	878	24	6,797	1,294	5,503
San Luis Obispo	3,557	453	-	4,010	269	3,741	2,171	149	-	2,320	236	2,084
San Mateo	30,735	2,962	2	33,695	1,563	32,132	17,325	1,483	2	18,806	1,570	17,236
Santa Barbara	5,582	690	65	6,207	171	6,036	3,001	241	68	3,174	90	3,084
Santa Clara	57,621	7,132	1,218	63,535	9,657	53,878	29,558	3,519	869	32,208	7,766	24,442
Santa Cruz	3,951	456	51	4,356	111	4,245	2,471	233	40	2,664	642	2,022
Shasta	2,830	407	8	3,229	83	3,146	1,208	123	4	1,327	61	1,266
Sierra	13	6	-	19	-	19	9	1	-	10	-	10
Siskiyou	853	164	-	1,017	80	937	475	53	-	528	71	457
Solano	10,887	1,695	160	12,422	1,208	11,214	5,730	684	89	6,325	1,471	4,854
Sonoma	7,328	967	48	8,247	415	7,832	3,754	388	32	4,110	489	3,621
Stanislaus	5,512	1,106	-	6,618	387	6,231	3,071	461	-	3,532	353	3,179
Sutter	1,346	235	-	1,581	-	1,581	692	64	-	756	-	756
Tehama	579	126	-	705	-	705	278	34	-	312	-	312
Trinity	-	-	-	-	-	-	-	-	-	-	-	-
Tulare	3,885	694	46	4,533	56	4,477	1,657	236	11	1,882	17	1,865
Tuolumne	157	27	-	184	-	184	98	9	-	107	-	107
Ventura	11,641	1,184	116	12,709	393	12,316	5,285	482	81	5,686	394	5,292
Yolo	5,267	774	-	6,041	697	5,344	2,919	336	-	3,255	895	2,360
Yuba	657	110	-	767	65	702	347	41	1	387	45	342
TOTAL	1,044,859	123,585	21,417	1,147,027	74,372	1,072,655	481,379	52,660	12,041	521,998	73,993	448,005

COMPARISON OF 1977-78 and 1978-79 PROPERTY TAX LEVIES FOR COUNTIES
(in thousands of dollars)

1977-78 - COUNTIES

1978-79 - COUNTIES

COUNTY	LEVIES	STATE SUBVENTIONS	LESS REDEVELOPMENT	TOTAL	DEBT SERVICE	NET	LEVIES	STATE SUBVENTIONS	LESS REDEVELOPMENT	TOTAL	DEBT SERVICE	NET
Alameda	148,653	17,885	1,390	165,148	-	165,148	51,523	6,572	983	57,112	-	57,112
Alpine	606	11		617	13	604	530	9		539	11	528
Amador	2,727	394		3,121	-	3,121	1,718	141		1,859	-	1,859
Butte	10,594	1,311		11,905	-	11,905	5,460	616		6,076	-	6,076
Calaveras	2,691	181		2,872	43	2,829	1,134	79		1,213	41	1,172
Colusa	2,736	207		2,943	-	2,943	1,946	144		2,090	-	2,090
Contra Costa	83,437	8,900	1,359	90,978	408	90,570	36,168	3,753	715	39,206	-	39,206
Del Norte	1,156	262		1,418	-	1,418	877	172		1,049	-	1,049
El Dorado	9,433	684		10,117	-	10,117	5,415	341		5,756	-	5,756
Fresno	62,284	8,526	552	70,258	-	70,258	30,234	3,534	325	33,443	-	33,443
Glenn	3,022	297	6	3,313	-	3,313	2,087	159	6	2,240	-	2,240
Humboldt	13,097	2,037	336	14,798	120	14,678	6,345	1,035	213	7,167	135	7,032
Imperial	8,562	792	24	9,330	-	9,330	3,959	391	19	4,331	-	4,331
Inyo	3,294	169		3,463	-	3,463	1,777	97		1,874	-	1,874
Kern	78,379	4,990	127	83,242	-	83,242	44,708	2,685	182	47,211	-	47,211
Kings	10,086	1,326	38	11,374	-	11,374	4,205	545	17	4,733	-	4,733
Lake	4,185	345		4,530	-	4,530	1,949	183		2,132	-	2,132
Lassen	1,935	220		2,155	-	2,155	1,068	118		1,186	-	1,186
Los Angeles	1,215,130	153,287	37,498	1,330,919	5,241	1,325,678	461,166	53,407	17,896	496,677	3,795	492,882
Madera	6,146	614		6,760	-	6,760	3,155	301		3,456	-	3,456
Marin	26,865	2,115	458	28,522	818	27,704	11,751	894	264	12,381	531	11,850
Mariposa	1,036	70		1,106	-	1,106	725	40		765	-	765
Mendocino	8,603	1,134		9,737	-	9,737	4,536	488		5,024	-	5,024
Merced	16,443	2,116	374	18,185	-	18,185	7,346	873	189	8,030	-	8,030
Modoc	1,617	123		1,740	-	1,740	1,090	72		1,162	-	1,162
Mono	2,574	64		2,638	-	2,638	1,532	41		1,573	-	1,573
Monterey	29,906	2,304	238	31,972	298	31,674	16,491	1,196	181	17,506	289	17,217
Napa	10,187	904	168	10,923	227	10,696	4,459	479	87	4,851	190	4,661
Nevada	4,831	407		5,238	-	5,238	2,574	220		2,794	-	2,794
Orange	140,308	13,042	3,025	150,325	328	149,997	69,357	6,821	1,861	74,317	323	73,994
Placer	11,563	1,240		12,803	-	12,803	6,462	610		7,072	-	7,072
Plumas	2,168	133		2,301	-	2,301	1,816	107		1,923	-	1,923
Riverside	60,106	7,054		66,612	130	66,482	29,436	3,066	339	32,163	85	32,078
Sacramento	84,704	13,587	1,469	96,822	1,169	95,653	34,953	4,822	711	39,064	1,196	37,868
San Benito	1,771	214		1,985	29	1,956	1,041	109		1,150	12	1,138
San Bernardino	75,346	9,778	1,166	83,958	-	83,958	34,780	4,212	609	38,383	-	38,383
San Diego	132,487	12,689	591	144,585	906	143,679	69,033	6,586	518	75,101	92	75,009
San Francisco	251,950	18,852		270,802	25,610	245,192	121,892	8,062	83	129,871	27,419	102,452
San Joaquin	46,922	7,364	224	54,062	-	54,062	20,690	3,057		23,747	-	23,747
San Luis Obispo	19,029	1,463		20,492	-	20,492	10,886	749		11,635	-	11,635
San Mateo	68,859	6,020	4	74,875	35	74,840	33,536	2,873	5	36,404	29	36,375
Santa Barbara	32,290	2,918	376	34,832	737	34,095	16,720	1,385	388	17,717	746	16,971
Santa Clara	134,858	15,847	2,851	147,854	6,927	140,927	62,636	7,463	1,844	68,255	6,985	61,270
Santa Cruz	18,185	1,679	233	19,631	376	19,255	8,684	818	138	9,364	346	9,018
Shasta	9,639	1,073	29	10,683	-	10,683	5,107	519	16	5,610	-	5,610
Sierra	634	51		685	-	685	477	33		510	-	510
Siskiyou	4,072	517		4,589	-	4,589	2,290	257		2,547	-	2,547
Solano	22,036	2,774	323	24,487	460	24,027	10,138	1,211	156	11,193	520	10,673
Sonoma	30,530	3,478	200	33,808	-	33,808	15,512	1,600	130	16,982	-	16,982
Stanislaus	23,911	4,233		28,144	300	27,844	12,974	1,951		14,925	378	14,547
Sutter	7,150	690		7,840	-	7,840	3,711	354		4,065	-	4,065
Tehama	4,058	507		4,565	-	4,565	2,033	249		2,282	-	2,282
Trinity	1,384	149		1,533	-	1,533	950	91		1,041	-	1,041
Tulare	26,931	3,778	320	30,389	-	30,389	10,941	1,562	73	12,430	-	12,430
Tuolumne	4,187	431		4,618	-	4,618	2,491	222		2,713	-	2,713
Ventura	51,491	5,097	512	56,076	-	56,076	23,097	2,108	351	24,854	-	24,854
Yolo	13,734	1,607		15,341	-	15,341	5,965	688		6,653	-	6,653
Yuba	4,734	645		5,379	165	5,214	2,281	271	11	2,541	172	2,369
TOTAL	3,055,252	348,585	54,439	3,349,398	44,340	3,305,058	1,335,817	140,441	28,310	1,447,948	43,295	1,404,653

COMPARISON OF 1977-78 and 1978-79 PROPERTY TAX LEVIES FOR SPECIAL DISTRICTS
(in thousands of dollars)

1977-78 - SPECIAL DISTRICTS

1978-79 - SPECIAL DISTRICTS

COUNTY	LEVIES	STATE SUBVENTIONS	LESS REDEVELOPMENT	TOTAL	DEBT SERVICE	NET	LEVIES	STATE SUBVENTIONS	LESS REDEVELOPMENT	TOTAL	DEBT SERVICE	NET
Alameda	79,607	9,972	655	88,924	27,522	61,402	41,811	5,187	775	46,223	25,480	20,743
Alpine	122	2		124	-	124	43	1		44	-	44
Amador	255	26		281	15	266	109	9		118	17	101
Butte	4,119	489		4,608	44	4,652	2,134	241		2,375	46	2,329
Calaveras	1,378	117		1,495	181	1,314	640	45		685	197	488
Colusa	688	56		744	-	744	529	39		568	-	568
Contra Costa	65,824	16,505	1,018	81,311	17,697	63,614	38,752	3,960	755	41,957	19,772	22,185
Del Norte	372	278		650	-	650	207	41		248	-	248
El Dorado	6,217	336		6,553	593	5,960	3,738	219		3,957	703	3,254
Fresno	20,557	2,005	138	22,424	1,216	21,208	11,228	1,273	117	12,384	923	11,461
Glenn	516	39	1	554	-	554	362	28	1	389	-	389
Humboldt	3,028	446	78	3,396	130	3,266	1,267	207	43	1,431	201	1,230
Imperial	1,051	225	3	1,273	203	1,070	578	55	3	630	190	440
Inyo	646	41		687	122	565	432	24		456	172	284
Kern	18,889	2,107	29	20,967	8,298	12,669	16,273	963	66	17,170	11,244	5,926
Kings	2,193	200	5	2,388	439	1,949	1,421	113	3	1,531	597	934
Lake	2,190	224		2,414	440	1,974	1,278	104		1,382	484	898
Lassen	294	65		359	-	359	153	16		169	3	166
Los Angeles	245,146	17,538	3,311	259,373	102,198	157,175	156,541	11,610	3,890	164,261	110,768	53,493
Madera	2,586	97		2,683	111	2,572	1,274	122		1,396	114	1,282
Marin	13,692	118	226	13,884	1,000	12,884	6,340	478	141	6,677	968	5,709
Mariposa	193	7		200	-	200	49	3		52	-	52
Mendocino	1,557	239		1,796	432	1,364	924	93		1,017	390	627
Merced	4,449	219	31	4,637	121	4,516	1,998	232	51	2,179	162	2,017
Modoc	261	14		275	-	275	163	11		174	-	174
Mono	1,559	42		1,601	267	1,334	1,098	29		1,127	332	795
Monterey	9,896	1,121	64	10,953	1,168	9,785	5,751	351	53	6,049	1,429	4,620
Napa	2,010	304	14	2,300	536	1,764	1,241	87	16	1,312	603	709
Nevada	2,769	96		2,865	556	2,309	1,787	134		1,921	471	1,450
Orange	101,900	12,452	1,358	112,994	23,709	89,285	60,307	5,010	1,367	63,950	26,244	37,706
Placer	6,715	410		7,125	1,636	5,489	4,365	408		4,773	1,751	3,022
Plumas	1,094	126		1,220	109	1,111	813	47		860	116	744
Riverside	34,037	3,468	278	37,227	12,998	24,229	23,736	2,253	249	25,740	14,508	11,232
Sacramento	33,107	3,687	459	36,335	5,957	30,378	19,098	2,079	306	20,871	6,391	14,480
San Benito	573	19		592	130	462	784	45		829	564	265
San Bernardino	57,664	5,997	739	62,922	18,516	44,406	31,093	3,513	507	34,099	17,658	16,441
San Diego	42,340	4,878	167	47,051	17,053	29,998	29,648	2,577	203	32,022	19,716	12,306
San Francisco	15,714	1,124		16,838	14,083	2,755	14,477	952		15,429	14,448	981
San Joaquin	13,159	1,502	43	14,618	114	14,504	5,842	853	23	6,672	200	6,472
San Luis Obispo	3,325	428		3,753	727	3,026	2,237	150		2,387	708	1,679
San Mateo	18,926	1,631	1	20,556	1,140	19,416	10,949	936	1	11,884	1,903	9,981
Santa Barbara	12,694	1,064	139	13,619	1,548	12,071	6,691	514	144	7,061	1,711	5,350
Santa Clara	32,404	1,692	515	33,581	7,161	26,420	17,467	1,420	351	18,536	6,078	12,458
Santa Cruz	5,600	484	68	6,016	416	5,600	2,670	223	38	2,855	494	2,361
Shasta	2,864	437	8	3,293	117	3,176	1,397	142	4	1,535	141	1,394
Sierra	154	13		167	16	151	109	7		116	20	96
Siskiyou	550	92		642	39	603	386	43		429	43	386
Solano	5,055	606	55	5,606	572	5,034	2,458	251	32	2,677	655	2,022
Sonoma	6,198	646	36	6,808	611	6,197	3,589	331	27	3,893	795	3,098
Stanislaus	3,932	502		4,434	222	4,212	1,925	289		2,214	238	1,976
Sutter	1,418	101		1,519	15	1,504	787	77		864	7	857
Tehama	553	61		614	2	612	234	28		262	2	260
Trinity	172	28		200	16	184	105	10		115	13	102
Tulare	7,234	623	61	7,796	60	7,736	2,333	332	15	2,650	172	2,478
Tuolumne	969	100		1,069	188	881	594	52		646	201	445
Ventura	39,811	2,835	332	42,314	9,528	32,786	19,693	1,670	278	21,085	8,276	12,809
Yolo	4,262	531		4,793	640	4,153	2,160	249		2,409	621	1,788
Yuba	937	104		1,041	125	916	445	49	2	492	141	351
TOTAL	945,476	98,569	9,832	1,034,213	280,737	753,476	564,513	50,185	9,461	605,237	299,081	306,156

COMPARISON OF 1977-78 and 1978-79 PROPERTY TAX LEVIES FOR SCHOOLS

1977-78 - SCHOOLS

(in thousands of dollars)

1978-79 - SCHOOLS

COUNTY	LEVIES	STATE SUBVENTIONS	LESS REDEVELOPMENT	TOTAL	DEBT SERVICE	NET	LEVIES	STATE SUBVENTIONS	LESS REDEVELOPMENT	TOTAL	DEBT SERVICE	NET
Alameda	286,575	34,783	2,679	318,679	32,543	286,136	119,497	15,290	2,289	132,498	33,193	99,305
Alpine	197	4		201	33	168	156	3		159	36	123
Amador	4,753	231		4,984	325	4,659	3,111	255		3,366	390	2,976
Butte	25,927	3,639		29,566	2,652	26,914	17,086	1,928		19,014	2,259	16,755
Calaveras	6,907	468		7,375	690	6,685	4,150	286		4,436	669	3,767
Colusa	4,783	425		5,208	453	4,755	3,592	264		3,856	467	3,389
Contra Costa	199,421	8,847	3,248	205,020	15,940	189,080	95,131	9,873	1,880	103,124	17,298	85,826
Del Norte	2,832	349		3,181	540	2,641	1,816	357		2,173	179	1,994
El Dorado	19,567	1,475		21,042	2,128	18,914	11,907	751		12,658	2,262	10,396
Fresno	105,406	14,584	933	119,057	12,330	106,727	53,959	6,264	576	59,647	9,511	50,136
Glenn	6,834	696	14	7,516	515	7,001	4,743	360	13	5,090	525	4,565
Humboldt	23,205	3,645	595	26,255	2,052	24,203	11,990	1,957	403	13,544	2,123	11,421
Imperial	18,543	1,705	53	20,195	1,493	18,702	9,554	943	44	10,453	1,588	8,865
Inyo	5,894	312		6,206	217	5,989	3,237	176		3,413	215	3,198
Kern	106,978	9,599	173	116,404	1,800	114,604	60,328	3,625	245	63,708	2,181	61,527
Kings	16,177	2,154	61	18,270	1,456	16,814	7,844	1,015	32	8,827	1,907	6,920
Lake	8,139	777		8,916	478	8,438	4,181	392		4,573	473	4,100
Lassen	4,157	472		4,629	617	4,012	2,205	247		2,452	193	2,259
Los Angeles	1,666,130	204,603	51,416	1,819,317	105,589	1,713,728	687,305	79,263	26,560	740,008	110,196	629,812
Madera	16,370	1,682		18,052	1,405	16,647	9,142	871		10,013	1,577	8,436
Marin	71,539	5,537	1,218	75,858	5,232	70,626	34,300	2,609	770	36,139	5,297	30,842
Mariposa	2,297	142		2,439	24	2,415	1,626	105		1,731	25	1,706
Mendocino	15,412	2,009		17,421	1,281	16,140	8,737	940		9,677	1,474	8,203
Merced	27,402	3,594	624	30,372	1,845	28,527	14,106	1,673	362	15,417	1,657	13,760
Modoc	2,539	197		2,736	61	2,675	1,791	119		1,910	74	1,836
Mono	3,523	85		3,608	349	3,259	2,193	58		2,251	298	1,953
Monterey	71,046	5,092	567	75,571	3,807	71,764	38,688	2,807	426	41,069	4,052	37,017
Napa	23,037	2,059	378	24,718	2,149	22,569	13,325	1,430	260	14,495	2,611	11,884
Nevada	11,215	1,019		12,234	1,331	10,903	6,705	576		7,281	1,434	5,847
Orange	530,821	45,094	11,444	564,471	54,840	509,631	292,821	28,710	7,836	313,695	64,653	249,042
Placer	25,982	3,168		29,150	3,110	26,040	15,969	1,505		17,474	2,969	14,505
Plumas	4,854	295		5,149	10	5,139	3,824	226		4,050	11	4,039
Riverside	125,432	15,100	1,143	139,389	11,880	127,509	67,236	6,997	772	73,461	12,682	60,779
Sacramento	129,205	21,162	2,239	148,128	16,603	131,525	62,524	8,612	1,269	69,867	16,656	53,211
San Benito	5,267	656		5,923	540	5,383	3,879	405		4,284	435	3,849
San Bernardino	152,757	19,802	2,364	170,195	15,156	155,039	76,062	9,175	1,325	83,912	15,437	68,475
San Diego	388,120	36,422	1,729	422,813	42,232	380,581	209,351	19,985	1,569	227,767	37,083	190,684
San Francisco	137,728	10,285		148,013	1,552	146,461	54,817	3,597		58,414	922	57,492
San Joaquin	66,276	10,630	317	76,589	6,669	69,920	33,656	4,974	136	38,494	7,856	30,638
San Luis Obispo	38,188	3,007		41,195	5,327	35,868	24,207	1,667		25,874	5,384	20,490
San Mateo	188,445	17,370	10	205,805	12,394	193,411	101,074	8,656	16	109,714	12,276	97,438
Santa Barbara	72,648	6,654	846	78,456	5,514	72,942	38,379	3,172	887	40,664	5,296	35,368
Santa Clara	392,534	46,384	8,299	430,619	35,598	395,021	192,360	22,910	5,661	209,609	43,663	165,946
Santa Cruz	43,230	3,997	554	46,673	2,913	43,760	21,975	2,073	349	23,699	2,531	21,168
Shasta	23,997	2,846	72	26,771	1,680	25,091	15,177	1,543	47	16,673	2,975	13,698
Sierra	531	44		575	43	532	398	28		426	41	385
Siskiyou	9,325	1,110		10,435	928	9,507	5,262	592		5,854	504	5,350
Solano	38,707	4,846	567	42,986	4,439	38,547	20,909	2,496	322	23,083	5,463	17,620
Sonoma	69,218	8,043	452	76,809	7,167	69,642	36,841	3,805	309	40,317	6,025	34,312
Stanislaus	55,839	9,673		65,512	4,920	60,592	31,693	4,767		36,460	5,009	31,451
Sutter	14,401	1,398		15,799	1,101	14,698	7,815	745		8,560	1,172	7,388
Tehama	8,477	1,087		9,564	639	8,925	4,455	548		5,003	659	4,344
Trinity	1,796	205		2,001	418	1,583	1,369	132		1,501	309	1,192
Tulare	45,497	6,464	540	51,421	2,311	49,110	20,268	2,897	135	23,030	3,178	19,852
Tuolumne	8,209	815		9,024	596	8,428	4,085	364		4,449	590	3,859
Ventura	121,261	9,721	1,205	129,777	10,360	119,417	57,451	5,239	873	61,817	11,038	50,779
Yolo	29,988	3,542		33,530	3,447	30,083	14,329	1,651		15,980	2,823	13,157
Yuba	7,220	958		8,178	721	7,457	3,596	427	17	4,006	795	3,211
TOTAL	5,492,758	600,962	93,740	5,999,980	452,443	5,547,537	2,654,187	282,335	55,383	2,881,139	472,599	2,408,540

APPENDIX II

CALIFORNIA LEGISLATURE—1979-80 REGULAR SESSION

ASSEMBLY BILL

No. 2742

Introduced by Assemblyman Bannai

(Principal coauthor: Assemblywoman Tanner)

March 4, 1980

REFERRED TO COMMITTEE ON REVENUE AND TAXATION

An act to amend Section 98 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2742, as introduced, Bannai (Rev. & Tax.). Property tax revenues.

Under existing law, provision has been made for allocating property tax revenues to various entities of local government according to specified criteria.

This bill would revise the method of making such allocations in specified cases.

Section 2231 of the Revenue and Taxation Code requires the state to reimburse local agencies and school districts for costs mandated by the state. The section also specifies the manner for paying the reimbursement and requires any statute mandating the costs to also contain an appropriation to pay for the costs in the initial fiscal year.

This bill appropriates an unspecified sum to the Controller for allocation and disbursement to local agencies and school districts for costs incurred by them pursuant to this act.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 98 of the Revenue and Taxation
2 Code, as added by Chapter 282 of the Statutes of 1979, is
3 amended to read:

4 98. The difference between the total amount of
5 property tax revenue and the amounts allocated pursuant
6 to subdivisions (a) and (b) of Section 96 or subdivision
7 (a) of Section 97, shall be allocated, subject to allocation
8 and payment of funds as provided for in subdivision (b)
9 of Section 33670 of the Health and Safety Code, as follows:

10 (a) Within each tax rate area, the auditor shall
11 determine an amount of property tax revenue by
12 multiplying the value of the change in taxable assessed
13 value from the prior to the current fiscal year by a tax rate
14 of four dollars (\$4) per one hundred dollars (\$100) of
15 assessed value.

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

19 (c) The difference between the total amount of
20 property tax revenue for the county and the sum of the
21 amounts allocated pursuant to subdivisions (a) and (b) of
22 Section 96 or subdivision (a) of Section 97 shall be
23 computed.

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

29 (e) The amount of property tax revenue determined
30 pursuant to subdivision (d) shall be distributed to the
31 various jurisdictions whose boundaries include the tax
32 rate area in the same proportion that the total property
33 tax revenue allocated to the jurisdiction with respect to
34 the tax rate area in the prior year bears to the total
35 property tax revenue allocated to all jurisdictions in the
36 tax rate area in the prior year.

37 (f) For the 1979-80 fiscal year only:

38 (1) The amount of property tax revenue, attributable

1 to the tax rate area, for each jurisdiction for the prior
2 fiscal year shall be considered to be the total property tax
3 revenue for such jurisdiction for fiscal year 1978-79
4 allocated among tax rate areas in the same proportion
5 which the taxable assessed valuation for fiscal year
6 1978-79 in each tax rate area bears to the total taxable
7 assessed valuation of all tax rate areas in which the
8 jurisdiction was located in fiscal year 1978-79.

9 (2) Property tax revenue received by local agencies in
10 the prior fiscal year shall include the amount of state
11 assistance payments allocated to each local agency,
12 allocated among tax rate areas in proportion to the
13 jurisdiction's taxable assessed valuation within each tax
14 rate area for the 1978-79 fiscal year.

15 (3) Property tax revenue received by school entities in
16 the prior fiscal year shall be reduced by the adjustments
17 required by subdivision (b) of Section 96, allocated
18 among tax rate areas, in proportion to the school entity's
19 taxable assessed valuation within each tax rate area for
20 the 1978-79 fiscal year.

21 ~~(m)~~

22 (g) Any agency which has not filed a map of its
23 boundaries by January 1, shall not receive any allocation
24 pursuant to this section for the following fiscal year.

25 (h) *A city which did not levy a property tax for general*
26 *fund purposes during the period from fiscal year 1975-76*
27 *through fiscal year 1977-78 and which received no state*
28 *assistance pursuant to Chapter 292 of the Statutes of 1978*
29 *or Chapter 282 of the Statutes of 1979 shall be allocated*
30 *a portion of the property tax revenue in subdivision (d);*
31 *provided, that the city council of such city has adopted a*
32 *resolution to such effect and notifies the county auditor*
33 *of such action by January 3 of the calendar year in which*
34 *the fiscal year begins.*

35 *Upon receipt of the resolution, the allocation or*
36 *property tax revenues determined in subdivision (d)*
37 *shall be made pursuant to subdivision (h) rather than*
38 *subdivision (e).*

39 (i) *If a resolution has been received by the county*
40 *auditor pursuant to subdivision (h), the amount of*

1 *property tax revenue determined pursuant to subdivision*
2 *(h) for each tax rate area shall be distributed as follows:*

3 *(1) The auditor shall determine the proportion that*
4 *each jurisdiction received or the total property tax*
5 *revenue in each tax rate area in the prior fiscal year.*

6 *(2) School entities shall receive a proportion of the*
7 *revenue determined pursuant to subdivision (d) in each*
8 *tax rate area equal to the proportion of total property tax*
9 *revenue received by school entities in the prior fiscal*
10 *year.*

11 *(3) Cities which have notified the auditor pursuant to*
12 *subdivision (h) shall receive for each tax rate area within*
13 *the city 6 percent of the amount determined in*
14 *subdivision (d) or the balance remaining pursuant to*
15 *subdivision (d) after the distribution of amounts to school*
16 *entities, whichever is less.*

17 *(4) The amounts distributed pursuant to paragraphs*
18 *(2) and (3) of this subdivision shall be subtracted from*
19 *the total sum determined for each tax rate area pursuant*
20 *to subdivision (d). The remainder, if any, shall be divided*
21 *among the remaining local agencies within the tax rate*
22 *area in the same proportion that the property tax*
23 *revenues received by such entity in the prior year bears*
24 *to all property tax revenues received by all local entities*
25 *in the tax rate area in the prior fiscal year.*

26 SEC. 2. The sum of _____ dollars (\$_____) is
27 hereby appropriated from the General Fund to the
28 Controller for allocation and disbursement to local
29 agencies and school districts pursuant to Section 2231 of
30 the Revenue and Taxation Code to reimburse the
31 agencies for costs incurred by them pursuant to this act.

O

ASSEMBLY REVENUE AND TAXATION COMMITTEE
ASSEMBLYMAN WADIE P. DEDDEH, Chairman

April 7, 1980

AB 2742 (BANNAI), AS INTRODUCED

SUBJECT: Property tax allocation

WHAT THE BILL DOES:

Allocates property tax revenues to cities which did not previously levy a property tax pre-Prop. 13.

The bill provides that upon adoption of a resolution by the city council of a city which did not levy a general purpose property tax from 1975-76 through 1977-78, such city will be allocated 6% of the property tax revenue growth from each tax rate area within which that city is located.

School districts are held harmless by ensuring them the same proportion of growth that they received in the prior year from that tax rate area, so the amount of revenue the city gains is therefore lost to the county and any special districts currently receiving property tax.

There is a blank appropriation to reimburse counties for the state mandated costs on county auditors.

The bill would take effect January 1, 1981, which means the first fiscal year to which this bill would apply is 1981-82.

BACKGROUND:

Proposition 13 limited property taxes to 1% of value, thus reducing property tax revenues statewide by 57%.

In 1978, the Legislature enacted SB 154, which for 1978-79 partially filled in local agency and school property tax losses by subvening "bail-out" funds in proportion to the local tax loss, relative to property taxes the locality levied from 1975-76 to 1977-78.

In 1979, AB 8 was enacted for 1979-80 and thereafter. Local agencies received increased property tax allocations to compensate for the state bail-out, which was terminated. This increased property tax was shifted from the schools and the state reimbursed the schools for their loss.

It is important to note that the long-term financing program in AB 8 adjusted the property tax system as it existed prior to Prop. 13, and the adjusted allocation system affects only those agencies affected by Prop. 13. Property taxes are now allocated as follows:

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AB 2742 (BANNAI), AS INTRODUCED
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1979-80 Base: property taxes received in 1978-79
plus the shift from schools equal
to their 1978-79 bail-out, with
adjustments

1980-81 and
thereafter : property taxes received in prior
year, with growth in tax due to
increased assessed value allocated
to each agency or school based on
"situs"

Special districts have one exception to the general rule.
An amount equal to their 1978-79 "bail-out", plus subse-
quent growth, is withheld and goes into one large "Special
District Augmentation Fund" (also called "Mac's Factor")
which is reallocated by the county board of supervisors
among the special districts based on need (which may differ
from their otherwise automatic allocation).

It should now be apparent that a local agency which did not
levy a property tax pre-13 received no bail-out in 1978-79
(because they suffered no loss which needed compensating),
and if they received no bail-out, then they received no
1979-80 property tax base, and thus no future allocation.

FISCAL EFFECT:

State. No effect, since schools are held harmless (state would
otherwise have to make up school losses--approximately 35% of
any school loss statewide).

Local. Unknown revenue loss to counties in which such no-
property-tax cities are located, and to special districts
overlapping such cities. (These districts will lose directly
only from the growth they would otherwise receive on their
property tax; the reduced growth on the "Mac's Factor" allo-
cation may translate into a loss for any district in the
county, depending on the allocation chosen by the supervisors).

Increased cost to county auditors. These computations may
be complex and on-going in nature.

COMMENTS:

1. This bill would apply to 38 cities statewide, located in
11 different counties, which did not levy property taxes
pre-13, and to any new cities incorporated in the future.
These cities are generally of two types: small suburban
cities with low service demands (who often "contract out"
for municipal services) and "industrial enclaves" or

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AB 2742 (BANNAI), AS INTRODUCED

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"sales tax cities", which incorporated around a large sales-generating business concern(s), originally as a shield from added property tax burdens. These enclave cities have traditionally gotten by largely on sales taxes and state subventions.

2. The 1% property tax revenue pool is a "zero sum" situation, i.e., if one entity receives an increased benefit, then an equal amount of revenue must be taken away from among all other entities within the county.
3. Why should "replacement" revenue be given for a loss that never occurred in the first place?

The existing demand for revenue is far in excess of the available supply. It appears equitable to allow such cities to receive property tax revenues at the expense of the county and special districts which did lose property tax revenues under Prop. 13, and which do need replacement revenues. Isn't this a matter of priorities?

4. The argument may be made that just because a city chose not to levy a property tax in the past doesn't mean they might not desire to do so in the future. However, is not such a city far better off than other cities which lost half of their prior property tax revenue? The no-property-tax cities were apparently able to maintain an adequate level of services in years past by reliance on revenue sources other than the property tax. Data indicate a continued growth in all non-property tax revenue sources from pre-13 levels.
5. Obtaining a "new" source of revenue in this manner is akin to levying a "special tax". However, under this bill such a city can get at this revenue with a simple majority vote of its governing body, while any other city, county or district must receive a 2/3ds vote of the electorate to approve an additional tax revenue source. This is also a property tax, which violates the intent of Prop. 13 in prohibiting the property tax as a new source of revenue. This preferential treatment for some cities over others appears inequitable.
6. The bill appears to allow a "double-dipping" for these cities. Not only do they receive 6% of each year's growth, but this revenue would become a base for the city, and the following year the city would receive not only 6% of current growth, but also this base amount from the prior year, plus growth on this base. Currently, agencies share in growth relative to the size of their respective property tax revenue base; no agency receives a special growth allocation "off the top".

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This double-dipping is even more pronounced for a new city, which will have a full-fledged base plus growth already. There appears to be no justification for allowing this procedure to cover new cities.

7. This bill essentially guarantees 6% of growth in a tax rate area to a former no-property-tax city. However, cities with existing property tax allocations have no such guarantee; since growth is allocated in relation to each entity's base, these cities may now be getting less than 6%, or more.
8. Currently, all property owners in the state pay the same basic \$4 tax rate, no matter how much "government" they get. The same \$4 rate applies to a taxpayer in a city which is getting property tax revenues, as well as a taxpayer in a city not getting property taxes.

However, prior to Prop. 13 the tax rate was 2-3 times higher than it is now, thus, the current situation does not appear to be adverse to the property owner in terms of tax burden.

9. New cities are provided for under AB 8 and may receive a portion of property tax revenues, while the existing cities which levied no property tax pre-13 may not receive such revenues.

The rationale for allowing new cities to receive revenues is that, unlike the existing cities, they have no proven track record of being able to get along without property tax revenues. It is the right of citizens to petition for the incorporation of a city, and the Legislature has not deprived people of the property tax as a revenue source if it is needed for a new city--for which there is local support--to succeed. The extending of property taxes to that entity, nowever, comes with the full realization that every other jurisdiction in the county will have to do with that much less property tax revenues, which is the price that must be paid for "more government".

10. A mechanism now exists in AB 8 for a local agency to reduce its property tax allocation, and in effect reduce the tax rate below \$4 for taxpayers within that tax rate area(s). Under this bill, a no-property-tax city could obtain an allocation, just so they could turn around and reduce their effective rate, in order to give their taxpayers a break. In some cities the prime beneficiaries of such a tax reduction would be large commercial or industrial taxpayers. This may also preclude the county from giving all of its own taxpayers a tax reduction.

COMMITTEE ON POLICY
RESEARCH MANAGEMENT

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APPENDIX III

Assembly
California Legislature

COMMITTEE ON POLICY RESEARCH MANAGEMENT

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Director
(916) 445-1638

Becky Robinson
Executive Secretary

October 24, 1980

80-269

Honorable Wadie Deddeh, Chairman
Assembly Revenue and Taxation Committee
Room 2137, State Capitol

Attention: Ellen Worcester

Dear Assemblyman Deddeh:

The following information has been prepared in response to your request for an analysis of fiscal data concerning 31 California cities that do not receive property tax revenue from the basic "\$4" property tax rate.

Data Sources and Methodology

The analysis set out below is based on data drawn from two sources. The first data source was the responses to the questionnaire prepared by your staff and mailed to the 31 affected cities. Twenty cities completed and returned the questionnaire. Table I lists the 31 cities and indicates which cities returned the questionnaire. The second source of data was the 1978-79 Annual Report of Financial Transactions Concerning Cities of California compiled by the State Controller. Our analysis is based more heavily on the second data source because it is the latest year for which comparable data is available regarding both the 31 "property tax-less" cities and the other 387 cities that do receive property tax revenues. Throughout our analysis we have excluded San Francisco from the city data base comparisons since its unusual dual role as city and county would bias the fiscal data comparisons.

Data from both sources should be approached with some caution. In both sources cities may differ in how they choose to report expenditures, particularly expenditures for "overhead" items such as retirement costs, insurance, and general city management. The questionnaire responses in some instances involve estimated data for the 1979-80 fiscal year rather than actual figures. All information concerning the 1980-81 fiscal year in the questionnaires is based on estimated revenues and expenditures. Past experience has indicated that budget estimates tend to be below both actual revenues and expenditures reported at the close of the fiscal year. For these reasons, and because comparison data about other California cities was not available after the 1978-79 fiscal year we have based the bulk of the analysis on comparisons drawn from 1978-79 data reported to the Controller.

To facilitate comparisons with other California cities we have classified the 31 cities by population size as well as treating all 31 cities as one group.

Comparison of Per Capita Revenues

During the 1978-79 fiscal year the 31 cities that did not receive any property tax revenues from the basic \$4 tax rate had an average of \$166 in total revenue per capita. This amount was slightly more than 50 percent of the \$330 per capita figure for all other California cities. Table II, Comparison of Per Capita Revenues and Expenditures for 31 Property Tax-less Cities with All Other California Cities, displays the relevant data in a side-by-side comparison.

Approximately 75 percent of the \$164 per capita revenue gap between these two classes of cities can be accounted for in four categories of revenue. The property tax, defined as property taxes plus the amount of SB 154 Block Grants (the basis for the property tax shift from schools to local agencies contained in AB 8 of 1979), accounts for \$50 or 30 percent of the per capita revenue gap. The next largest category is "other federal grants" which accounts for \$39 or 24 percent of the per capita revenue gap. The "service charges" and the "other revenue" categories each account for \$18 or 11 percent of the per capita revenue gap between the property tax-less cities and all other California cities.

The 31 cities without property tax revenues are, as a result, more dependent on sales tax revenues (36 percent of total revenues) and state shared revenues (17 percent of total revenues) than are all other cities. Such cities are also much less dependent on federal grants (8 percent of total revenues) than are all other California cities, where federal grants are 16 percent of total revenues.

Comparison of Per Capita Expenditures

During the 1978-79 fiscal year the 31 property tax-less cities had per capita expenditures of \$136 . This amount was 44 percent of the \$310 per capita expenditures of all other California cities. Thus, for the 31 cities under study, spending per capita was \$30 less than revenues per capita while for all other cities the difference between revenues and spending per capita was only \$20. This discrepancy results from either a desire to build reserve funds for future capital programs or problems that cities have in reporting capital facility spending for purposes of the Controller's annual report.

The major significant difference between the expenditure pattern of the 31 property tax-less cities and all other cities is the very small amount they spend on fire protection services. The explanation for this difference is that 26 of the 31 cities receive fire protection from fire districts. On average, the 31 cities spend only 1 percent of their budgets (\$1 per capita) on fire protection while all other California cities spend 10 percent of their budgets on fire protection (\$32 per capita). It is interesting to note that the discrepancy in per capita spending for fire protection services (\$31) is nearly equal to the average per capita property tax revenues of California cities (\$36) prior to the AB 8 shift of property tax revenues to replace the SB 154 Block Grants.

Only five cities in the group of 31 spend any money on fire protection. (These five are Colma (\$7,589), Commerce (\$3.26 million), Foster City (\$649,162), Palm Desert (\$20,043), and Rancho Mirage (\$8,823).) The remaining 26 cities are in fire protection districts that provide service to residents of the city. It should be noted that these fire protection districts receive a share of the basic \$4 property tax revenues and are eligible for additional property tax revenues from the county controlled Special District Augmentation Fund, created by Revenue and Taxation Code Section 98.6.

It should also be noted that only four cities (Cerritos, Commerce, Palmdale, and Palm Desert) reported any expenditures for library services. Once again, many of the other 27 cities, particularly those in Los Angeles County, are in library districts which receive a share of the basic \$4 property tax rate revenues. Finally, two substantial cities in Ventura County (Camarillo, population 33,300; Simi Valley, population 75,300) reported no expenditures for park and recreation purposes. Both of these cities are served by recreation and park districts that receive some property tax revenues.

Comparison with 92 Cities that Have No Responsibility for Fire Protection

Table III, Comparison of 31 Property Tax-less Cities with 92 Cities that Spend Less than \$1 Per Capita on Fire Services presents a more useful comparison group against which to test the 31 cities. The level of \$1 per capita spending on fire protection serves as a proxy for selecting those cities that rely on either another agency to supply fire protection or on volunteer fire departments.

The gap between the per capita revenues and expenditures of the 31 property tax-less cities and other California cities is considerably reduced when we compare these 31 cities with the 92 other California cities that spend less than \$1 per capita on fire protection services. The 31 cities' \$166 of per capita revenues represents 76 percent of the \$219 per capita average revenues of the 92 comparison cities. The 31 cities \$136 of per capita expenditures represents 68 percent of the \$200 per capita average expenditures of the 92 comparison cities. Thus, in both the revenue and expenditure areas the 31 property tax-less cities are much closer to "normal" if we compare them with cities that have little or no responsibility for fire protection.

The 92 comparison cities received an average of \$25 per capita in property tax and block grant revenues and show substantially larger per capita revenue in the "other revenues" category (\$22 vs. \$9) and in the "other federal grants" category (\$33 vs. \$15). Surprisingly, the 31 property tax-less cities receive more per capita sales tax revenues (\$59 vs. \$45) than do the 92 comparison cities. However, though the gap has been narrowed there is still a significant difference between the per capita revenues and expenditures of the two groups of cities. This gap is particularly apparent in expenditures per capita for public works (\$62 vs. \$33) and parks and recreation (\$29 vs. \$15).

Comparisons with Cities Grouped by Population Size

Tables IV through VIII compare the property tax-less cities with all other cities according to population size. The data presented is the same as was displayed in Tables II and III discussed above.

Table IV, Comparison of Property Tax-less Cities with Populations from 5,000 to 10,000 with 61 Similarly Sized Cities, shows that the two property tax-less cities have higher per capita revenues than the average for the 61 cities with similar populations. Sales taxes, other local taxes, and licenses and permits provide the property tax-less cities with their revenue advantage. In the case of Rolling Hills Estates, the accumulation of a large reserve for future capital projects explains why per capita spending is so much lower than per capita revenues in the two property tax-less cities.

Tables V through VIII showed the same pattern as the overall averages. The 31 property tax-less cities receive from 53 to 63 percent of the amount of per capita revenues received by similarly sized cities. The 31 cities expend from 45 to 61 percent of the average amount of expenditures of the comparison groups of cities.

Two Unusual Cities

Table IX, Per Capita Revenues and Expenditures for the Cities of Colma and Commerce, displays per capita data for two very unusual cities. These two property tax-less cities have extremely high per capita revenues, chiefly due to the phenomenal amount of per capita sales tax revenues each city receives. These cities have per capita

revenues that are six to eight times as high as the state average (\$2,682 for Colma and \$1,990 for Commerce vs. a state average of \$330). Due to these large per capita amounts, we have excluded these cities from the comparisons discussed above so as not to distort the comparisons.

Revenue Growth

Table X, Growth in Total City Revenues from Fiscal Year 1978-79 to 1979-80, shows the growth in total revenues reported by the 20 property tax-less cities that responded to the Assembly Revenue and Taxation Committee survey. Twelve of the twenty cities responding had an increase of 10 percent or more in total revenues from 1978-79 to 1979-80. Seven of these cities had revenue growth of 20 percent or more.

We reviewed the estimated revenue growth estimates for 1979-80 to 1980-81 fiscal years and found only three cities projecting revenue growth of more than 10 percent. Twelve cities estimated revenue growth between 0 and 10 percent while three forecast absolute declines in revenues (chiefly due to lower federal grants). Such estimates should be used cautiously since estimated revenues for budgeting purposes are often substantially lower than the actual revenues reported at the end of the fiscal year.

Other Issues Raised in the Survey

Several other points worth noting were raised in the responses to the Committee's questionnaire. Several cities face substantial declines in state shared revenues (vehicle license fees, cigarette taxes, gas taxes, trailer coach fees and liquor licenses) after the results of the 1980 census are released. The two cities hardest hit by this are LaCanada-Flintridge and Lancaster. Both of these cities were incorporated since the 1970 census and currently receive subventions based on population figures generated by multiplying the number of registered voters in the city by three. This procedure is authorized by Section 2107 of the Streets and Highways Code and Section 11005 of the Revenue and Taxation Code for purposes of calculating state subventions for newly incorporated cities. Currently, subventions for LaCanada-Flintridge are calculated on the basis of a population of 41,094 while the actual population as of January 1, 1980, was 19,300. Beginning in 1981-82 the Controller will use the lower figure based on the latest census. This will reduce state shared revenues by approximately \$600,000 per year. Similarly, the City of Lancaster currently is treated as having a population of 64,638 while its actual population as of January 1, 1980 was 48,100. Its revenue loss would be approximately \$460,000. For La-Canada-Flintridge the loss represents 24 percent of its total 1978-79 revenues. For Lancaster the loss represents 6.6 percent of its 1978-79 revenues.

Several other property tax-less cities, including Norwalk, Paramount, Pico Rivera, and South El Monte, also face a reduction in state shared revenues, though not as severe as the ones discussed above. These cities have suffered population declines since the 1970 census. Until the 1980 Census results are available Section 2107 of the Streets and Highways Code requires the Controller to calculate state shared revenue subventions on the basis of the last federal census or the most recent Department of Finance population estimate, whichever is higher. As a result of population declines these cities also face a revenue loss in 1981-82 and future years.

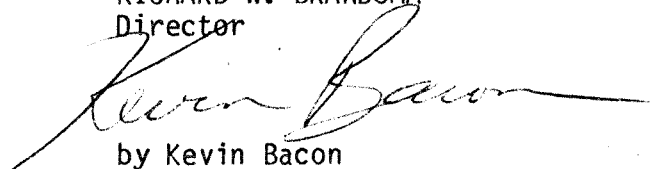
Several of the cities that responded to the Committee's questionnaire indicated that they desired to receive property tax revenues because it was a relatively stable revenue source that facilitated future budget planning and controlled growth of city services. These respondents also pointed out that the property tax-less cities have no financial incentive to accommodate residential or industrial growth since these land uses do not provide property or sales tax revenue. Only commercial land uses that generate sales and use tax revenues provide these cities with some financial resources for meeting the increased demand for city services caused by new development.

In conclusion, we can note that the absence of property tax revenues in these 31 cities cannot alone account for the entire discrepancy between their spending per capita and that of all the comparison groups examined. Further research would be required to examine possible explanations for the discrepancy. Possible causes might include differences in the per capita income of residents, age of city infrastructure and work force, prevailing local wage rates, or local political preferences for low taxes and spending.

Please let us know if you need additional assistance in this study.

Sincerely,

RICHARD W. BRANDSMA
Director



by Kevin Bacon
Consultant

Attachments (10)

5641

TABLE I

NO-PROPERTY-TAX CITIES AS OF JULY 1980Los Angeles County

Artesia
 Bellflower
 Carson
 *Cerritos
 Commerce
 Cudahy
 *La Canada-Flintridge
 *La Mirada
 *Lancaster
 La Puente
 *Lawndale
 *Lomita
 *Norwalk
 Palmdale
 *Paramount
 *Pico Rivera
 *Rolling Hills Estate
 *Rosemead
 *South El Monte
 Temple City

San Mateo County

*Colma
 Foster City

Ventura County

*Camarillo
 *Simi Valley
 Thousand Oaks

Contra Costa County

*Lafayette
 *Pleasant Hill

Orange County

*Yorba Linda

Riverside County

*Palm Desert
 Rancho Mirage

San Bernardino County

*Victorville

Source: Assembly Revenue and Taxation Committee

* Cities that responded to the Committee's questionnaire.

TABLE II

COMPARISON OF PER CAPITA REVENUES AND EXPENDITURES FOR
31 PROPERTY TAX-LESS CITIES WITH ALL OTHER CALIFORNIA CITIES
(based on Reported 1978-79 data).

Revenues per capita	* 387 Cities with Property Tax Revenue		31 Cities without Property Tax Revenues		Expenditures per capita	387 Cities with Property Tax Revenue		31 Cities without Property Tax Revenue	
	\$	(%)	\$	(%)		\$	(%)	\$	(%)
Taxes									
¹ Property Tax	36	(11)	--	--	General Government	37	(12)	22	(16)
Sales Tax	60	(18)	59	(36)	Police	59	(19)	31	(23)
Other Local Taxes	39	(12)	14	(8)	Fire	32	(10)	1	(1)
Shared Revenues and Grants					Public Works	70	(23)	33	(24)
² State Shared Revenues	29	(9)	28	(17)	Libraries	6	(2)	2	(1)
SB 154 Block Grant	14	(4)	--	--	Parks and Recreation	29	(9)	15	(11)
Federal Revenue Sharing	12	(4)	9	(6)	² General Govt. - Non-Departmental	64	(21)	20	(15)
Other Federal Grants	54	(16)	15	(8)	Other	13	(4)	12	(9)
Other Revenues					Total Expenditures per capita	\$310	(100)	\$136	(100)
Service Charges	30	(9)	12	(7)					
Investments and Property Licenses and Permits	16	(5)	9	(6)					
Fines and Penalties	7	(2)	7	(4)					
Other Revenues	6	(2)	4	(2)					
Other Revenues	27	(8)	9	(6)					
Total Revenue per capita	\$330	(100)	\$166	(100)					
					Average Taxable Assessed Value per capita	\$4,919		\$4,771	

¹Property taxes include debt service and state property tax subventions.

²Includes retirement, insurance, and other costs that are not distributed back to functional areas.

²State shared Revenues include vehicle license fees, gas taxes, trailer coach fees, liquor licenses, and cigarette taxes.

* San Francisco was not included as a city.

**See Table I for a list of the 31 cities.

Source: Assembly Office of Research calculations based on the Controller's 1978-79 Annual Report of Financial Transactions Concerning California Cities.

TABLE III

COMPARISON OF 31 PROPERTY TAX-LESS CITIES WITH 92 CITIES
THAT SPEND LESS THAN \$1 PER CAPITA ON FIRE SERVICES
(based on reported 1978-79 expenditures)

Revenues per capita		92 Comparison Cities	31 Property Tax-less Cities	Expenditures per capita		92 Comparison Cities	31 Property Tax-less Cities
		\$	(%)			\$	(%)
Taxes							
Property Tax		18	(8)				
Sales Tax		45	(21)	General Government		29	(15)
Other Local Taxes		16	(7)	Police		42	(21)
Shared Revenues and Grants				Fire		0	--
*State Shared Revenues		28	(13)	Public Works		62	(30)
SB 154 Block Grant		7	(3)	Libraries		1	--
Federal Revenue Sharing		8	(4)	Parks and Recreation		29	(15)
Other Federal Grants		33	(15)	Other		37	(19)
Other Revenues				Total Expenditures			
Service Charges		20	(9)	per capita		\$200	(100)
Investments and Property		11	(5)			\$136	(100)
Licenses and Permits		7	(3)				
Fines and Penalties		4	(2)				
Other Revenues		22	(10)				
Total Revenue		\$219	(100)				
per capita							
Average Population		15,910	33,942	Average Taxable Assessed		\$4,669	\$4,771
				Value per capita			

* State shared revenues include vehicle license fees, gas taxes, trailer coach fees, liquor licenses, and cigarette taxes.

Source: Assembly Office of Research calculations based on the Controller's
1978-79 Annual Report of Financial Transactions Concerning California Cities.

TABLE IV

COMPARISON OF PROPERTY TAX-LESS CITIES WITH POPULATIONS
FROM 5,000 TO 10,000 WITH 61 SIMILARLY SIZED CITIES
(based on reported 1978-79 data)

Revenues per capita		61 Comparison Cities	2 Property Tax-less Cities	1	Expenditures per capita		61 Comparison Cities	2 Property Tax-less Cities
		\$ (%)	\$ (%)				\$ (%)	\$ (%)
Taxes								
Property Tax		26 (9)	--		General Government		33 (12)	53 (27)
Sales Tax		64 (22)	76 (23)		Police		53 (19)	40 (21)
Other Local Taxes		21 (7)	85 (26)		Fire		17 (6)	0 --
Shared Revenues and Grants					Public Works		85 (32)	37 (19)
*State Shared Revenues		29 (10)	30 (9)		Libraries		3 (1)	0 --
SB 154 Block Grant		11 (4)	--		Parks and Recreation		20 (7)	22 (11)
Federal Revenue Sharing		14 (5)	5 (2)					
Other Federal Grants		43 (15)	12 (4)		Other		62 (23)	42 (22)
Other Revenues					Total Expenditures per capita		\$273 (100)	\$194 (100)
Service Charges		30 (10)	31 (10)					
Investments and Property		12 (4)	20 (6)					
Licenses and Permits		8 (3)	48 (14)					
Fines and Penalties		6 (2)	5 (2)					
Other Revenues		27 (9)	12 (4)					
Total Revenue per capita		\$291 (100)	\$324 (100)					
Average Population		7,126	7,400		Average Taxable Assessed Value per capita		\$5,113	\$15,155

* State shared revenues include vehicle license fees, gas taxes, trailer coach fees, liquor licenses, and cigarette taxes.

¹The two cities were Rancho Mirage and Rolling Hills Estates.

Source: Assembly Office of Research calculations based on the Controller's 1978-79 Annual Report of Financial Transactions Concerning California Cities.

TABLE V

COMPARISON OF PROPERTY TAX-LESS CITIES WITH POPULATIONS
FROM 10,000 to 25,000 WITH 77 SIMILARLY SIZED CITIES
(based on reported 1978-79 data)

Revenues per capita	77 Comparison Cities		10 Property Tax-less Cities		Expenditures per capita	77 Comparison Cities		10 Property Tax-less Cities	
	\$	(%)	\$	(%)		\$	(%)	\$	(%)
Taxes									
Property Tax	28	(10)	--	--	General Government	31	(12)	25	(18)
Sales Tax	59	(20)	52	(31)	Police	47	(17)	33	(23)
Other Local Taxes	22	(8)	19	(11)	Fire	26	(10)	4	(3)
Shared Revenues and Grants					Public Works	84	(31)	36	(26)
*State Shared Revenues	28	(10)	28	(16)	Libraries	3	(1)	1	(1)
SB 154 Block Grant	13	(4)	--	--	Parks and Recreation	28	(10)	20	(14)
Federal Revenue Sharing	12	(4)	10	(6)					
Other Federal Grants	53	(18)	16	(10)	Other	50	(19)	21	(15)
Other Revenues					Total Expenditures per capita	\$269	(100)	\$140	(100)
Service Charges	31	(11)	21	(12)					
Investments and Property	15	(5)	9	(5)					
Licenses and Permits	8	(3)	8	(5)					
Fines and Penalties	5	(2)	5	(3)					
Other Revenues	16	(5)	1	(1)					
Total Revenue per capita	\$290	(100)	\$176	(100)					
Average Population	17,043		17,819		Average Taxable Assessed Value per capita	\$4,762		\$4,996	

* State shared revenues include vehicle license fees, gas taxes, trailer coach fees, liquor licenses, and cigarette taxes.

¹The ten cities are Artesia, Cudahy, Foster City, Lafayette, Lawndale, Lomita, Palmdale, Palm Desert, South El Monte, Victorville.

Source: Assembly Office of Research calculations based on the Controller's 1978-79 Annual Report of Financial Transactions Concerning California Cities.

TABLE VI

COMPARISON OF PROPERTY TAX-LESS CITIES WITH POPULATIONS
FROM 25,000 TO 40,000 WITH 58 SIMILARLY SIZED CITIES
(based on reported 1978-79 expenditures)

Revenues per capita		58 Comparison Cities	6 Property Tax-less Cities	1	Expenditures per capita		58 Comparison Cities	6 Property Tax-less Cities
Taxes		\$ (%)	\$ (%)				\$ (%)	\$ (%)
Property Tax		29 (11)	--		General Government		32 (13)	17 (14)
Sales Tax		55 (21)	45 (32)		Police		45 (18)	32 (26)
Other Local Taxes		29 (11)	10 (7)		Fire		25 (10)	0 --
Shared Revenues and Grants					Public Works		63 (26)	38 (31)
*State Shared Revenues		28 (10)	27 (18)		Libraries		5 (2)	0 --
SB 154 Block Grant		13 (5)	--		Parks and Recreation		25 (10)	9 (7)
Federal Revenue Sharing		10 (4)	7 (5)		Other		51 (21)	27 (22)
Other Federal Grants		26 (10)	7 (5)		Total Expenditures per capita		\$246 (100)	\$123 (100)
Other Revenues					Average Taxable Assessed Value per capita		\$5,078	\$4,027
Service Charges		32 (12)	9 (6)					
Investments and Property		15 (5)	9 (6)					
Licenses and Permits		7 (3)	8 (5)					
Fines and Penalties		5 (2)	4 (3)					
Other Revenues		19 (6)	20 (13)					
Total Revenue per capita		\$268 (100)	\$142 (100)					
Average Population		32,148	30,816					

* State shared revenues include vehicle license fees, gas taxes, trailer coach fees, liquor licenses, and cigarette taxes.

¹The six cities are Camarillo, LaPuente, Paramount, Pleasant Hill, Temple City, and Yorba Linda.

Source: Assembly Office of Research calculations based on the Controller's 1978-79 Annual Report of Financial Transactions Concerning California Cities.

TABLE VII

COMPARISON OF PROPERTY TAX-LESS CITIES WITH POPULATIONS
FROM 40,000 TO 60,000 WITH 25 SIMILARLY SIZED CITIES
(based on reported 1978-79 expenditures)

Revenues per capita		25 Comparison Cities	6 Property Tax-less Cities	Expenditures per capita		25 Comparison Cities	6 Property Tax-less Cities
	\$	(%)	\$	(%)		\$	(%)
Taxes							
Property Tax	27	(12)	--	--	23	(14)	18 (14)
Sales Tax	58	(26)	46	(32)	Police	43	(21) 31 (25)
Other Local Taxes	21	(9)	3	(6)	Fire	24	(12) 0 --
Shared Revenues and Grants					Public Works	50	(25) 24 (20)
*State Shared Revenues	28	(13)	28	(20)	Libraries	3	(1) 2 (2)
SB 154 Block Grant	10	(4)	--	--	Parks and Recreation	22	(11) 19 (15)
Federal Revenue Sharing	8	(4)	8	(6)			
Other Federal Grants	18	(8)	17	(12)	Other	33	(16) 29 (24)
Other Revenues					Total Expenditures per capita	\$203	(100) \$123 (100)
Service Charges	19	(8)	12	(8)			
Investments and Property	11	(5)	10	(7)			
Licenses and Permits	6	(3)	5	(3)			
Fines and Penalties	4	(2)	4	(3)			
Other Revenues	14	(6)	5	(3)			
Total Revenue per capita	\$224	(100)	\$143	(100)			
Average Population	49,522		47,294		Average Taxable Assessed Value per capita	\$5,024	\$3,775

* State shared revenues include vehicle license fees, gas taxes, trailer coach fees, liquor licenses, and cigarette taxes.

¹The six cities are Bellflower, Cerritos, La Canada-Flintridge, La Mirada, Pico Rivera, Rosemead. The Controller reports La Canada-Flintridge's population as 41,094 based on statutes dictating the calculation of the population of newly incorporated cities.

Source: Assembly Office of Research calculations based on the Controller's 1978-79 Annual Report of Financial Transactions Concerning California Cities.

TABLE VIII

COMPARISON OF PROPERTY TAX-LESS CITIES WITH POPULATIONS
FROM 60,000 TO 100,000 WITH 39 SIMILARLY SIZED CITIES
(based on reported 1978-79 expenditures)

Revenues per capita		39 Comparison Cities	5 Property Tax-less Cities	1	Expenditures per capita		39 Comparison Cities	5 Property Tax-less Cities
		\$ (%)	\$ (%)				\$ (%)	\$ (%)
Taxes								
Property Tax		29 (10)	-- --		General Government		32 (12)	21 (17)
Sales Tax		68 (23)	53 (34)		Police		54 (20)	31 (25)
Other Local Taxes		29 (10)	15 (10)		Fire		33 (12)	0 --
Shared Revenues and Grants					Public Works		64 (23)	35 (28)
*State Shared Revenues		29 (10)	28 (18)		Libraries		8 (3)	0 --
SR 154 Block Grant		13 (4)	-- --		Parks and Recreation		26 (9)	14 (11)
Federal Revenue Sharing		12 (4)	9 (6)					
Other Federal Grants		40 (14)	19 (12)		Other		59 (21)	24 (19)
Other Revenues					Total Expenditures per capita		\$276 (100)	\$125 (100)
Service Charges		28 (9)	8 (5)					
Investments and Property		16 (5)	7 (4)					
Licenses and Permits		6 (2)	7 (4)					
Fines and Penalties		5 (2)	3 (2)					
Other Revenues		20 (7)	8 (5)					
Total Revenue per capita		\$295 (100)	\$157 (100)					
Average Population		76,792	75,875		Average Taxable Assessed Value per capita		\$4,988	\$4,504

* State shared revenues include vehicle license fees, gas taxes, trailer coach fees, liquor licenses, and cigarette taxes.

¹The five cities are Carson, Lancaster, Norwalk, Simi Valley, and Thousand Oaks. The Controller reports Lancaster's population as 64,638 based on statutes dictating the calculation of the population of newly incorporated cities.

Source: Assembly Office of Research calculations based on the Controller's 1978-79 Annual Report of Financial Transactions Concerning California Cities.

TABLE IX

PER CAPITA REVENUES AND EXPENDITURES FOR
FOR THE CITIES OF COLMA AND COMMERCE
(based on reported 1978-79 data)

Revenues per capita		City of Colma	City of Commerce	Expenditures per capita		City of Colma	City of Commerce
Taxes		\$	(%)			\$	(%)
Property Tax		--	--	General Government		150	(8)
Sales Tax		1,930	(72)	Police		350	(18)
Other Local Taxes		23	(1)	Fire		14	(1)
Shared Revenues and Grants				Public Works		1,243	(62)
*State Shared Revenues		102	(4)	Libraries		0	--
SB 154 Block Grant		--	--	Parks and Recreation		0	--
Federal Revenue Sharing		33	(1)	Other		233	(11)
Other Federal Grants		3	--	Total Expenditures per capita		\$1,990	(100)
Other Revenues				Taxable Assessed Value per capita		\$19,412	\$35,558
Service Charges		110	(4)				
Investments and Property		402	(16)				
Licenses and Permits		6	--				
Fines and Penalties		60	(2)				
Other Revenues		13	--				
Total Revenue per capita		\$2,682	(100)				
Population		537	10,635				

* State shared revenues include vehicle license fees, gas taxes, trailer coach fees, liquor licenses, and cigarette taxes.

¹The City of Colma is in San Mateo County and the City of Commerce is in Los Angeles County.

Source: Assembly Office of Research calculations based on the Controller's 1978-79 Annual Report of Financial Transactions Concerning California Cities.

TABLE X

GROWTH IN TOTAL CITY REVENUES
FROM FISCAL YEAR 1978-79 TO 1979-80

<u>Decline</u>		<u>20% + Increase</u>	
Lawndale	(-4.3%)	Camarillo	(23.1%)
		La Mirada	(26.4%)
		Lancaster	(20.1%)
<u>0 - 5% Increase</u>		Lomita	(21.1%)
		Paramount	(27.8%)
Yorba Linda	(2.8%)	Rolling Hills	
		Estates	(32.1%)
		Victorville	(23.0%)
<u>5 - 10% Increase</u>			
Cerritos	(5.6%)		
Lafayette	(7.0%)		
Pleasant Hill	(8.9%)		
Rosemead	(6.7%)		
<u>10 - 20% Increase</u>			
Colma	(16.0%)		
LaCanada -			
Flintridge	(19.4%)		
Palm Desert	(12.4%)		
Pico Rivera	(11.2%)		
Simi Valley	(13.4%)		
South El Monte	(12.7%)		

Source: Cities responding to the Assembly Revenue and Taxation Committee questionnaire on finances of property tax-less cities.