RESOLUTION NO. 2018 - __

A RESOLUTION OF THE NAPA COUNTY BOARD OF SUPERVISORS,
STATE OF CALIFORNIA, ADDING A NEW PART I, SECTION 12C TO
THE NAPA COUNTY POLICY MANUAL TO ESTABLISH A PRUDENT
AND RESPONSIBLE FISCAL APPROACH TO ANNEXATION
AGREEMENTS

WHEREAS, municipalities, property owners, and/or developers within Napa County submit requests to the Local Agency Formation Commission (LAFCO) for annexing unincorporated properties to place land within city limits; and

WHEREAS, the County and respective municipalities are required to negotiate an agreement to allocate current property tax revenues generated by the subject property before any proposed annexation can be approved by LAFCO, pursuant to Section 99 of the California Revenue and Taxation Code; and

WHEREAS, property taxes alone are insufficient to ensure the full funding of programs and services provided by the County to any future annexed property; and

WHEREAS, in order to implement a prudent and responsible fiscal approach to the consideration of tax sharing related to future proposed annexations, the Planning, Building and Environmental Services Director recommends the adoption of County Policy Manual Part I: Section 12C, Annexation Agreements.

NOW, THEREFORE, BE IT RESOLVED, by the Napa County Board of Supervisors that:

1. The Board hereby adds Part I: Section 12C of the County Policy Manual attached hereto and incorporated by reference herein;

2. The Board hereby directs the Clerk of the Napa County Board of Supervisors to integrate the attached addition into Part I, Section 12 of the Board Policy Manual; and

3. This resolution shall take effect immediately upon its adoption.

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THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED
by the Napa County Board of Supervisors, State of California, at a regular meeting of the Board
held on the 25th day of September 2018, by the following vote:

AYES: SUPERVISORS

NOES: SUPERVISORS

ABSENT: SUPERVISORS

NAPA COUNTY, a political subdivision of
the State of California

By: BRAD WAGENKNECHT, Chair of the
Board of Supervisors

APPROVED AS TO FORM
Office of County Counsel
By: Chris R.Y. Apallas
Deputy County Counsel
Date: September 18, 2018

APPROVED BY THE NAPA COUNTY
BOARD OF SUPERVISORS
Date: __________________________
Processed By:

Deputy Clerk of the Board

ATTEST: JOSE LUIS VALDEZ
Clerk of the Board of Supervisors

By: __________________________
ANNEXATION AGREEMENTS

Policy
When an annexation application is filed with the Local Agency Formation Commission, the County is provided a mandatory 60-day negotiation period in which to negotiate the allocation of property tax revenues with the respective municipality, pursuant to Section 99 of the California Revenue and Taxation Code. Without an agreement, the application for annexation cannot proceed. However, property taxes alone are insufficient to fund the array of programs and services offered by the County to local residents and businesses.

As stated in Section 1 of the County Policy Manual, the Board desires to continue the conduct of County business on a prudent and responsible fiscal basis. Consequently, it is important that any proposed agreement consider the full range of future costs to the County of continuing to service the annexed property. This policy serves as direction from the Board of Supervisors regarding the negotiation and consideration of future annexation agreements.

Annexation Agreements
The County shall negotiate an annexation agreement with the respective municipality regarding a proposed annexation, to ensure revenue neutrality for the County by accounting for and fully reimbursing the maintenance and operation of all relevant programs and services provided to the property proposed for annexation. Revenue neutrality should include all existing sources of revenue, including but not limited to property taxes, sales taxes, and transient occupancy taxes. Where a property proposed for annexation includes the potential for new and/or additional development, revenue neutrality may also include an increment of the revenue generated by the future project growth, to offset inflation and the cost of programs and services needed to serve the new and/or additional development.