



# Mendocino County

## Legislation Text

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File #: 16-836, Version: 1

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**To:** Board of Supervisors

**From:** Supervisor Woodhouse

**Meeting Date:** August 2, 2016

**Department Contact:** Tom Woodhouse

**Phone:** 463-4441

**Item Type:** Regular Agenda

**Time Allocated for Item:** 30 min.

**Agenda Title:**

Discussion and Possible Action Regarding a Tax Sharing Agreement Between the County of Mendocino and the City of Willits (*Sponsor: Supervisor Woodhouse*)

**Recommended Action/Motion:**

Discuss the possibility of a Master Tax Sharing Agreement between the City of Willits and the County of Mendocino and form an ad hoc committee to work with the City of Willits to draft a tax sharing agreement.

**Previous Board/Board Committee Actions:**

None; however, there have been numerous discussions regarding tax sharing with the City of Ukiah since at least 1991.

**Summary of Request:**

Master Tax Sharing Agreement - A system of sharing property and/or sales tax revenues between a city and county that provides a basis for more orderly growth and expectation of tax revenues. A master tax sharing agreement defines terms which apply to all annexations within a given area and/or timeframe. In the absence of a master agreement, cities and counties negotiate each annexation on a piecemeal basis. A master agreement does not imply that both property and sales tax are included in a single agreement, but that the agreement covers all annexations within a given area or timeframe for either property or sales tax, or both. Master tax sharing agreements come in a variety of forms, including counties that have sales tax agreements with every city and only enter into property tax agreements with cities at the time of annexation, whereas other counties have property and sales tax agreements with only specific cities.

A master tax sharing agreement will potentially improve the County and City of Willits cooperation and reduce or eliminate competition for tax revenue so that land use and development decisions can be based on planning principles including, but not limited to: development of appropriate infrastructure and mitigation of impacts; the efficient and rational delivery of services; and the protection of our rural quality of life.

I am requesting that the Board of Supervisors to form an ad hoc committee to work with the City of Willits to draft a tax-sharing agreement for future Board consideration.

**Alternative Action/Motion:**

Provide further direction.

**Supplemental Information Available Online at:** n/a

**Fiscal Impact:**

**Source of Funding:** n/a

**Budgeted in Current F/Y:** N/A

**Current F/Y Cost:** n/a

**Annual Recurring Cost:** n/a

**Supervisorial District:** District 3

**Vote Requirement:** Majority

**Agreement/Resolution/Ordinance Approved by County Counsel:** N/A

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**CEO Liaison:** Janelle Rau, Deputy CEO

**CEO Review:** Yes

**Comments:**