

# APPENDIX B: CHARTS & GRAPHS

**Figure 7**  
**Property Tax Allocations**

1 Location	2 Property Tax Base			3 1997-98 Total			4 1997-98 Total			5 1997-98			6 1997-98			7 1997-98			8 1997-98			9 1997-98			10 1997-98			11 1997-98		
	Property Tax Revenue (2)	Redevelopment Revenue (2)	Revenue (2,4)	Revenue (2)	Revenue (2)	Revenue (2,4)	Revenue (2)	Revenue (2)	Revenue (2,4)	Sales&Use tax Revenue (1)	Property Tax Revenue (2,3)	Allocation %	Sales & Use Tax Revenue	Property Tax Revenue	Allocation %	Sales & Use Tax Revenue	Property Tax Revenue	Allocation %	Sales & Use Tax Revenue	Property Tax Revenue	Allocation %	Sales & Use Tax Revenue	Property Tax Revenue	Allocation %	Sales & Use Tax Revenue	Property Tax Revenue	Allocation %	Property Tax % Increase		
<b>Alameda Unincorporated Cities</b>	\$877,382,000	\$51,556,000	\$825,826,000	\$877,382,000	\$51,556,000	\$825,826,000	\$14,088,680	\$177,084,554	\$151,299,000	\$159,794,000	18.32%	\$1,410,000	\$1,410,000	\$1,410,000	64.30%	\$1,554,613	\$1,554,613	70.89%	\$158,343,340	\$158,343,340	19.17%	\$7,044,340	\$88,542,277	\$248,336,277	33.80%	\$1,554,613	\$144,613	12.05%	0.85%	
<b>Alpine Unincorporated Cities</b>	\$2,193,000	\$0	\$2,193,000	\$2,193,000	\$0	\$2,193,000	\$289,226	\$0	\$0	\$0	64.30%	\$0	\$0	\$0	64.30%	\$0	\$0	64.30%	\$0	\$0	64.30%	\$0	\$0	\$0	64.30%	\$0	\$0	64.30%	0.85%	
<b>Amador Unincorporated Cities</b>	\$22,887,000	\$0	\$22,887,000	\$22,887,000	\$0	\$22,887,000	\$1,519,712	\$1,272,486	\$7,593,000	\$7,593,000	33.18%	\$1,519,712	\$1,519,712	\$1,519,712	18.72%	\$759,856	\$636,243	18.72%	\$8,352,856	\$8,352,856	36.50%	\$759,856	\$636,243	\$1,606,243	31.00%	\$759,856	\$636,243	12.28%	3.32%	
<b>Butte Unincorporated Cities</b>	\$95,332,000	\$9,544,000	\$85,788,000	\$95,332,000	\$9,544,000	\$85,788,000	\$3,155,742	\$13,350,256	\$13,100,000	\$5,352,000	15.27%	\$3,155,742	\$13,350,256	\$5,352,000	16.27%	\$1,577,871	\$6,675,128	15.27%	\$14,677,871	\$14,677,871	17.11%	\$1,577,871	\$6,675,128	\$12,027,128	36.57%	\$1,577,871	\$6,675,128	20.30%	1.84%	
<b>Calaveras Unincorporated Cities</b>	\$28,851,000	\$0	\$28,851,000	\$28,851,000	\$0	\$28,851,000	\$1,464,664	\$452,340	\$5,666,000	\$5,666,000	19.64%	\$1,464,664	\$452,340	\$1,464,664	10.43%	\$732,332	\$226,170	10.43%	\$6,398,332	\$6,398,332	22.18%	\$732,332	\$226,170	\$368,170	27.04%	\$732,332	\$226,170	16.61%	2.54%	
<b>Colusa Unincorporated Cities</b>	\$16,579,000	\$0	\$16,579,000	\$16,579,000	\$0	\$16,579,000	\$737,968	\$1,182,195	\$4,736,000	\$4,736,000	28.57%	\$737,968	\$1,182,195	\$737,968	25.76%	\$368,984	\$591,098	25.76%	\$5,104,984	\$5,104,984	30.79%	\$368,984	\$591,098	\$1,399,098	44.60%	\$368,984	\$591,098	18.84%	2.23%	
<b>Contra Costa Unincorporated Cities</b>	\$703,148,000	\$59,141,000	\$644,007,000	\$703,148,000	\$59,141,000	\$644,007,000	\$9,078,075	\$87,196,617	\$97,648,000	\$97,648,000	15.16%	\$9,078,075	\$87,196,617	\$97,648,000	12.53%	\$4,539,038	\$43,598,309	15.16%	\$102,187,038	\$102,187,038	15.87%	\$4,539,038	\$43,598,309	\$101,388,309	21.98%	\$4,539,038	\$43,598,309	9.45%	0.70%	
<b>Del Norte Unincorporated Cities</b>	\$9,959,000	\$558,000	\$9,401,000	\$9,959,000	\$558,000	\$9,401,000	\$667,841	\$842,917	\$1,896,000	\$1,896,000	20.17%	\$667,841	\$842,917	\$667,841	7.81%	\$333,921	\$421,459	7.81%	\$2,229,921	\$2,229,921	23.72%	\$333,921	\$421,459	\$520,459	41.06%	\$333,921	\$421,459	33.25%	3.55%	
<b>El Dorado Unincorporated Cities</b>	\$109,403,000	\$1,034,000	\$108,369,000	\$109,403,000	\$1,034,000	\$108,369,000	\$5,276,534	\$5,213,495	\$26,550,000	\$26,550,000	24.50%	\$5,276,534	\$5,213,495	\$5,276,534	15.25%	\$2,638,267	\$2,606,748	15.25%	\$29,188,267	\$29,188,267	26.93%	\$2,638,267	\$2,606,748	\$6,067,748	26.74%	\$2,638,267	\$2,606,748	11.49%	2.43%	

**Figure 7**  
**Property Tax Allocations**

<b>Fresno Unincorporated Cities</b>	\$322,196,000 \$122,337,821 \$199,858,179	\$15,103,000 \$4,501 \$15,098,499	\$307,093,000 \$122,333,321 \$184,759,679	\$11,356,988 \$58,294,368	\$45,627,000 \$39,765,000	14.86% 21.52%	\$51,305,494 \$68,912,184	16.71% 37.30%	1.85% 15.78%
<b>Glenn Unincorporated Cities</b>	\$14,588,000 \$11,183,161 \$3,404,839	\$0 \$0 \$0	\$14,588,000 \$11,183,161 \$3,404,839	\$683,835 \$1,211,326	\$3,140,000 \$947,000	21.52% 27.81%	\$3,481,918 \$1,552,663	23.87% 45.60%	2.34% 17.79%
<b>Humboldt Unincorporated Cities</b>	\$60,073,000 \$36,782,698 \$23,290,302	\$3,820,000 \$0 \$3,820,000	\$56,253,000 \$36,782,698 \$19,470,302	\$2,373,693 \$8,753,574	\$12,215,000 \$1,847,000	21.71% 9.49%	\$13,401,847 \$6,223,787	23.82% 31.97%	2.11% 22.48%
<b>Imperial Unincorporated Cities</b>	\$57,254,000 \$32,634,780 \$24,619,220	\$5,198,000 \$0 \$5,198,000	\$52,056,000 \$32,634,780 \$19,421,220	\$1,365,129 \$9,403,328	\$12,867,000 \$4,751,000	24.72% 24.46%	\$13,549,565 \$9,452,664	26.03% 48.67%	1.31% 24.21%
<b>Inyo Unincorporated Cities</b>	\$23,113,000 \$20,824,813 \$2,288,187	\$0 \$0 \$0	\$23,113,000 \$20,824,813 \$2,288,187	\$746,090 \$1,422,820	\$6,941,000 \$277,000	30.03% 12.11%	\$7,314,045 \$988,410	31.64% 43.20%	1.61% 31.09%
<b>Kern Unincorporated Cities</b>	\$386,799,000 \$268,361,146 \$118,437,854	\$9,386,000 \$0 \$9,386,000	\$377,413,000 \$268,361,146 \$109,051,854	\$17,725,902 \$40,079,147	\$110,312,000 \$21,187,000	29.23% 19.43%	\$119,174,951 \$41,226,574	31.58% 37.80%	2.35% 18.38%
<b>Kings Unincorporated Cities</b>	\$41,543,000 \$19,587,525 \$21,955,476	\$2,844,000 \$0 \$2,844,000	\$38,699,000 \$19,587,525 \$19,111,476	\$1,205,269 \$6,287,013	\$10,760,000 \$2,688,000	27.80% 14.06%	\$11,362,635 \$5,831,507	29.36% 30.51%	1.56% 16.45%
<b>Lake Unincorporated Cities</b>	\$33,733,000 \$26,895,321 \$6,837,679	\$2,844,000 \$0 \$503,000	\$30,889,000 \$26,895,321 \$6,334,679	\$1,445,400 \$1,799,848	\$8,329,000 \$1,010,000	26.96% 15.94%	\$9,051,700 \$1,909,924	29.30% 30.15%	2.34% 14.21%
<b>Lassen Unincorporated Cities</b>	\$14,484,000 \$11,184,545 \$3,299,455	\$0 \$0 \$0	\$14,484,000 \$11,184,545 \$3,299,455	\$582,757 \$1,250,973	\$2,810,000 \$570,000	19.40% 17.28%	\$3,101,379 \$1,195,487	21.41% 36.23%	2.01% 18.96%
<b>Los Angeles Unincorporated Cities</b>	\$5,141,993,000 \$529,111,080 \$4,612,881,920	\$473,351,000 \$1,655,782 \$471,695,218	\$4,668,642,000 \$527,455,298 \$4,141,186,702	\$34,901,571 \$846,145,485	\$1,265,178,000 \$788,882,000	27.10% 19.05%	\$1,282,628,786 \$1,211,954,743	27.47% 29.27%	0.37% 10.22%

**Figure 7**  
**Property Tax Allocations**

<b>Madera Unincorporated Cities</b>	\$56,502,000 \$44,399,272 \$12,102,728	\$2,085,000 \$0 \$2,085,000	\$54,417,000 \$44,399,272 \$10,017,728	\$3,286,237 \$3,964,695	\$8,953,000 \$1,558,000	16.45% 15.55%	\$1,643,119 \$1,982,348	\$10,596,119 \$3,540,348	19.47% 35.34%	3.02% 19.79%
<b>Marin Unincorporated Cities</b>	\$250,369,000 \$70,078,283 \$180,290,717	\$5,827,000 \$557,498 \$5,269,502	\$244,542,000 \$69,520,785 \$175,021,215	\$2,471,984 \$29,545,005	\$47,478,000 \$26,530,000	19.42% 15.16%	\$1,235,992 \$14,772,503	\$48,713,992 \$41,302,503	19.92% 23.60%	0.51% 8.44%
<b>Mariposa Unincorporated Cities</b>	\$11,252,000 \$0	\$0 \$0	\$11,252,000	\$1,235,422	\$2,920,000	25.95%	\$617,711	\$3,537,711	31.44%	5.49%
<b>Mendocino Unincorporated Cities</b>	\$50,640,000 \$38,663,640 \$11,976,360	\$2,503,000 \$0 \$2,503,000	\$48,137,000 \$38,663,640 \$9,473,360	\$3,270,788 \$4,840,696	\$14,110,000 \$965,000	29.31% 10.19%	\$1,635,394 \$2,420,348	\$15,745,394 \$3,385,348	32.71% 35.74%	3.40% 25.55%
<b>Merced Unincorporated Cities</b>	\$84,766,000 \$46,333,096 \$38,432,904	\$4,224,000 \$0 \$4,224,000	\$80,542,000 \$46,333,096 \$34,208,904	\$3,357,343 \$10,480,486	\$19,598,000 \$5,517,000	24.33% 16.13%	\$1,678,672 \$5,240,243	\$21,276,672 \$10,757,243	26.42% 31.45%	2.08% 15.32%
<b>Modoc Unincorporated Cities</b>	\$6,700,000 \$5,912,080 \$787,920	\$0 \$0 \$0	\$6,700,000 \$5,912,080 \$787,920	\$139,589 \$444,157	\$1,809,000 \$227,000	27.00% 28.81%	\$69,795 \$222,079	\$1,878,795 \$449,079	28.04% 57.00%	1.04% 28.19%
<b>Mono Unincorporated Cities</b>	\$19,322,000 \$8,082,393 \$11,239,607	\$0 \$0 \$0	\$19,322,000 \$8,082,393 \$11,239,607	\$349,228 \$1,185,700	\$6,210,000 \$593,000	32.14% 5.28%	\$174,614 \$592,850	\$6,384,614 \$1,185,850	33.04% 10.55%	0.90% 5.27%
<b>Monterey Unincorporated Cities</b>	\$227,368,000 \$110,296,217 \$117,071,783	\$13,852,000 \$623,534 \$13,228,466	\$213,516,000 \$109,672,683 \$103,843,317	\$5,849,259 \$31,540,764	\$38,099,000 \$16,206,000	17.84% 15.61%	\$2,924,630 \$15,770,382	\$41,023,630 \$31,976,382	19.21% 30.79%	1.37% 15.19%
<b>Napa Unincorporated Cities</b>	\$100,407,000 \$49,038,779 \$51,368,221	\$1,704,000 \$0 \$1,704,000	\$98,703,000 \$49,038,779 \$49,664,221	\$2,960,703 \$9,627,361	\$22,506,000 \$9,375,000	22.80% 18.88%	\$1,480,352 \$4,813,681	\$23,986,352 \$14,188,681	24.30% 28.57%	1.50% 9.69%
<b>Nevada Unincorporated Cities</b>	\$69,292,000 \$45,316,968 \$23,975,032	\$461,000 \$0 \$461,000	\$68,831,000 \$45,316,968 \$23,514,032	\$2,599,879 \$5,175,638	\$10,732,000 \$4,399,000	15.59% 18.71%	\$1,299,940 \$2,587,819	\$12,031,940 \$6,986,819	17.48% 29.71%	1.89% 11.01%

**Figure 7**  
**Property Tax Allocations**

<b>Orange Unincorporated Cities</b>	\$1,824,782,000 \$208,755,061 \$1,616,026,939	\$141,672,000 \$10,932,828 \$130,739,172	\$1,683,110,000 \$197,822,233 \$1,485,287,767	\$9,634,506 \$350,923,235	\$124,570,000 \$192,132,000	7.40% 12.94%	\$4,817,253 \$175,461,618	\$129,387,253 \$367,593,618	7.69% 24.75%	0.29% 11.81%
<b>Placer Unincorporated Cities</b>	\$185,618,000 \$97,486,574 \$88,131,426	\$2,391,000 \$0 \$2,391,000	\$183,227,000 \$97,486,574 \$85,740,426	\$7,919,130 \$23,583,886	\$37,955,000 \$11,929,000	20.71% 13.91%	\$3,959,565 \$11,791,943	\$41,914,565 \$23,720,943	22.88% 27.67%	2.16% 13.75%
<b>Plumas Unincorporated Cities</b>	\$20,434,000 \$19,735,157 \$698,843	\$0 \$0 \$0	\$20,434,000 \$19,735,157 \$698,843	\$1,512,449 \$151,072	\$4,548,000 \$144,000	22.26% 20.61%	\$756,225 \$75,536	\$5,304,225 \$219,536	25.96% 31.41%	3.70% 10.81%
<b>Riverside Unincorporated Cities</b>	\$750,386,000 \$204,330,108 \$546,055,892	\$149,232,000 \$9,664,115 \$139,567,885	\$601,154,000 \$194,665,993 \$406,488,007	\$14,969,916 \$108,381,387	\$107,043,000 \$49,659,000	17.81% 12.22%	\$7,484,958 \$54,190,694	\$114,527,958 \$103,849,694	19.05% 25.55%	1.25% 13.33%
<b>Sacramento Unincorporated Cities</b>	\$545,330,000 \$306,966,257 \$238,363,743	\$23,509,000 \$935,141 \$22,573,859	\$521,821,000 \$306,031,116 \$215,789,884	\$66,526,489 \$62,731,150	\$108,523,000 \$50,053,000	20.80% 23.20%	\$33,263,245 \$31,365,575	\$141,786,245 \$81,418,575	27.17% 37.73%	6.37% 14.54%
<b>San Benito Unincorporated Cities</b>	\$28,185,000 \$15,304,455 \$12,880,545	\$4,046,000 \$0 \$4,046,000	\$24,139,000 \$15,304,455 \$8,834,545	\$1,088,925 \$2,541,955	\$3,750,000 \$734,000	15.54% 8.31%	\$544,463 \$1,270,978	\$4,294,463 \$2,004,978	17.79% 22.69%	2.26% 14.39%
<b>San Bernardino Unincorporated Cities</b>	\$757,783,000 \$178,988,345 \$578,794,655	\$134,985,000 \$2,012,356 \$132,972,644	\$622,798,000 \$176,975,988 \$445,822,012	\$11,259,201 \$133,265,216	\$103,018,000 \$53,948,000	16.54% 12.10%	\$5,629,601 \$66,632,608	\$108,647,601 \$120,580,608	17.45% 27.05%	0.90% 14.95%
<b>San Diego Unincorporated Cities</b>	\$1,528,744,000 \$308,806,288 \$1,219,937,712	\$83,283,000 \$559,412 \$82,723,588	\$1,445,461,000 \$308,246,876 \$1,137,214,124	\$13,747,466 \$270,418,379	\$232,051,000 \$198,576,000	16.05% 17.46%	\$6,873,733 \$135,209,190	\$238,924,733 \$333,785,190	16.53% 29.35%	0.48% 11.89%
<b>San Francisco Unincorporated Cities</b>	\$592,645,000	\$33,436,000	\$559,209,000	\$111,266,071	\$364,850,000	65.24%	\$55,633,036	\$420,483,036	75.19%	9.95%
<b>San Joaquin Unincorporated Cities</b>	\$252,331,000 \$85,540,209 \$166,790,791	\$7,941,000 \$0 \$7,941,000	\$244,390,000 \$85,540,209 \$158,849,791	\$9,340,821 \$39,569,168	\$57,395,000 \$28,202,000	23.49% 17.75%	\$4,670,411 \$19,784,584	\$62,065,411 \$47,986,584	25.40% 30.21%	1.91% 12.45%

**Figure 7**  
**Property Tax Allocations**

<b>San Luis Obispo Unincorporated Cities</b>	\$190,667,000 \$109,290,324 \$81,376,676	\$1,288,000 \$0 \$1,288,000	\$189,379,000 \$109,290,324 \$80,088,676	\$3,938,526 \$18,389,606	\$49,208,000 \$13,228,000	25.98% 16.52%	\$51,177,263 \$22,422,803	27.02% 28.00%	\$1,969,263 \$9,194,803	1.04% 11.48%
<b>San Mateo Unincorporated Cities</b>	\$628,739,000 \$93,933,607 \$534,805,393	\$31,740,000 \$0 \$31,740,000	\$596,999,000 \$93,933,607 \$503,065,393	\$13,565,708 \$96,582,881	\$96,380,000 \$67,498,000	16.14% 13.42%	\$103,162,854 \$115,789,441	17.28% 23.02%	\$6,782,854 \$48,291,441	1.14% 9.60%
<b>Santa Barbara Unincorporated Cities</b>	\$270,659,000 \$148,835,384 \$121,823,616	\$10,042,000 \$672,011 \$9,369,989	\$260,617,000 \$148,163,373 \$112,453,627	\$8,473,769 \$31,072,311	\$54,599,000 \$13,607,000	20.95% 12.10%	\$58,835,885 \$29,143,156	22.58% 25.92%	\$4,236,885 \$15,536,156	1.63% 13.82%
<b>Santa Clara Unincorporated Cities</b>	\$1,333,786,000 \$92,831,506 \$1,240,954,494	\$147,638,000 \$0 \$147,638,000	\$1,186,148,000 \$92,831,506 \$1,093,316,494	\$3,652,462 \$273,589,630	\$170,061,000 \$123,739,000	14.34% 11.32%	\$171,887,231 \$260,533,815	14.49% 23.83%	\$1,826,231 \$136,794,815	0.15% 12.51%
<b>Santa Cruz Unincorporated Cities</b>	\$161,321,000 \$93,275,802 \$68,045,198	\$14,016,000 \$6,932,117 \$7,083,883	\$147,305,000 \$86,343,685 \$60,961,315	\$6,481,131 \$16,705,110	\$25,556,000 \$7,913,000	17.35% 12.98%	\$28,796,566 \$16,265,555	19.55% 26.68%	\$3,240,566 \$8,352,555	2.20% 13.70%
<b>Shasta Unincorporated Cities</b>	\$84,056,000 \$40,666,293 \$43,389,707	\$4,541,000 \$0 \$4,541,000	\$79,515,000 \$40,666,293 \$38,848,707	\$2,173,942 \$14,075,273	\$12,372,000 \$5,852,000	15.56% 15.06%	\$13,458,971 \$12,889,637	16.93% 33.18%	\$1,086,971 \$7,037,637	1.37% 18.12%
<b>Sierra Unincorporated Cities</b>	\$3,681,000 \$3,482,594 \$198,406	\$0 \$0 \$0	\$3,681,000 \$3,482,594 \$198,406	\$100,288 \$63,849	\$2,053,000 \$26,000	55.77% 13.10%	\$2,103,144 \$57,925	57.14% 29.19%	\$50,144 \$31,925	1.36% 16.09%
<b>Siskiyou Unincorporated Cities</b>	\$24,474,000 \$17,097,536 \$7,376,464	\$0 \$0 \$0	\$24,474,000 \$17,097,536 \$7,376,464	\$565,847 \$2,815,054	\$5,656,000 \$1,484,000	23.11% 20.12%	\$5,938,924 \$2,891,527	24.27% 39.20%	\$282,924 \$1,407,527	1.16% 19.08%
<b>Solano Unincorporated Cities</b>	\$191,969,000 \$23,708,172 \$168,260,829	\$33,399,000 \$0 \$33,399,000	\$158,570,000 \$23,708,172 \$134,861,829	\$1,349,047 \$32,062,800	\$35,398,000 \$26,753,000	22.32% 19.84%	\$36,072,524 \$42,784,400	22.75% 31.72%	\$674,524 \$16,031,400	0.43% 11.89%
<b>Sonoma Unincorporated Cities</b>	\$298,068,000 \$122,565,562 \$175,502,438	\$15,405,000 \$1,120,637 \$14,284,363	\$282,663,000 \$121,444,925 \$161,218,075	\$9,724,780 \$42,005,237	\$68,920,000 \$18,817,000	24.38% 11.67%	\$73,782,390 \$39,819,619	26.10% 24.70%	\$4,862,390 \$21,002,619	1.72% 13.03%

**Figure 7**  
**Property Tax Allocations**

<b>Stanislaus Unincorporated Cities</b>	\$185,146,000 \$64,023,487 \$121,122,513	\$4,679,000 \$988,743 \$3,690,257	\$180,467,000 \$63,034,744 \$117,432,256	\$10,812,399 \$30,149,548	\$22,649,000 \$12,501,000	12.55% 10.65%	\$5,406,200 \$15,074,774	\$28,055,200 \$27,575,774	15.55% 23.48%	3.00% 12.84%
<b>Sutter Unincorporated Cities</b>	\$40,767,000 \$24,749,646 \$16,017,354	\$1,066,000 \$0 \$1,066,000	\$39,701,000 \$24,749,646 \$14,951,354	\$1,979,665 \$5,558,494	\$7,486,000 \$2,962,000	18.86% 19.81%	\$989,833 \$2,779,247	\$8,475,833 \$5,741,247	21.35% 38.40%	2.49% 18.59%
<b>Tehama Unincorporated Cities</b>	\$25,881,000 \$19,638,503 \$6,242,497	\$0 \$0 \$0	\$25,881,000 \$19,638,503 \$6,242,497	\$866,954 \$2,999,813	\$6,671,000 \$1,156,000	25.78% 18.52%	\$433,477 \$1,499,907	\$7,104,477 \$2,655,907	27.45% 42.55%	1.67% 24.03%
<b>Trinity Unincorporated Cities</b>	\$6,815,000	\$0	\$6,815,000	\$556,233	\$2,059,000	30.21%	\$278,117	\$2,337,117	34.29%	4.08%
<b>Tulare Unincorporated Cities</b>	\$140,391,000 \$65,309,893 \$75,081,107	\$7,255,000 \$925,252 \$6,329,748	\$133,136,000 \$64,384,641 \$68,751,359	\$5,650,580 \$21,858,998	\$30,307,000 \$8,152,000	22.76% 11.86%	\$2,825,290 \$10,929,499	\$33,132,290 \$19,081,499	24.89% 27.75%	2.12% 15.90%
<b>Tuolumne Unincorporated Cities</b>	\$33,867,000 \$31,113,613 \$2,753,387	\$288,000 \$0 \$288,000	\$33,579,000 \$31,113,613 \$2,465,387	\$2,411,993 \$1,542,641	\$10,055,000 \$261,000	29.94% 10.59%	\$1,205,997 \$771,321	\$11,260,997 \$1,032,321	33.54% 41.87%	3.59% 31.29%
<b>Ventura Unincorporated Cities</b>	\$474,947,000 \$102,493,563 \$372,453,437	\$27,743,000 \$76,210 \$27,666,790	\$447,204,000 \$102,417,353 \$344,786,647	\$5,649,890 \$67,187,088	\$83,332,000 \$35,827,000	18.63% 10.39%	\$2,824,945 \$33,593,544	\$86,156,945 \$69,420,544	19.27% 20.13%	0.63% 9.74%
<b>Yolo Unincorporated Cities</b>	\$86,212,000 \$20,087,396 \$66,124,604	\$9,547,000 \$0 \$9,547,000	\$76,665,000 \$20,087,396 \$56,577,604	\$1,556,167 \$16,425,931	\$8,729,000 \$15,643,000	11.39% 27.65%	\$778,084 \$8,212,966	\$9,507,084 \$23,855,966	12.40% 42.17%	1.01% 14.52%
<b>Yuba Unincorporated Cities</b>	\$22,459,000 \$17,744,856 \$4,714,144	\$357,000 \$0 \$357,000	\$22,102,000 \$17,744,856 \$4,357,144	\$1,644,965 \$1,710,154	\$4,950,000 \$852,000	22.40% 19.55%	\$822,483 \$855,077	\$5,772,483 \$1,707,077	26.12% 39.18%	3.72% 19.62%
<b>Total</b>	\$19,528,271,000		\$3,487,011,938	\$5,746,695,000	\$1,743,505,969		\$7,483,156,629			

- 1) Source: 1997-98 Annual Report, State Board of Equalization.
- 2) Source: 1997-98 Property Tax Revenues, State Board of Equalization memorandum.
- 3) Revenue totals include both countywide and less than countywide revenues.
- 4) Totals include those revenues allocated to Redevelopment Agencies, prior to pass-throughs.

**Figure 8**  
**Property Tax Sources for the Swap**

County	Property Tax			K-12 (K) 1997-98	ERAF (E) 1997-98	Community Colleges (C) 1997-98	Sales Tax		Minimum Transfer Sources
	Super. of Schools (S) 1997-98	Colleges (C) 1997-98	1/2 Cent Sales Tax Transfer 1997-98				Sales Tax Transfer as a % of Total Education Property Tax		
Alameda	\$5,383,000	\$23,946,000	\$160,456,000	\$207,222,000	\$397,007,000	\$95,586,617	24.08%	S, C, E	
Alpine	\$515,000	\$169,000	\$410,000	\$2,206,000	\$679,000	\$144,613	24.98%	E	
Amador	\$4,231,000	\$6,653,000	\$11,189,000	\$10,461,000	\$13,910,000	\$1,396,099	10.04%	S, E	
Butte	\$308,000	\$1,391,000	\$40,119,000	\$3,348,000	\$61,464,000	\$8,252,998	13.43%	S, C	
Calaveras	\$251,000	\$2,045,000	\$14,130,000	\$5,696,000	\$19,177,000	\$958,502	5.00%	S, C	
Colusa	\$10,605,000	\$31,540,000	\$200,986,000	\$105,925,000	\$9,732,000	\$960,082	9.87%	S, C	
Contra Costa	\$16,000	\$5,745,000	\$4,950,000	\$1,438,000	\$6,404,000	\$48,137,346	13.79%	S, C, E	
Del Norte	\$2,474,000	\$9,419,000	\$32,696,000	\$12,448,000	\$53,363,000	\$755,379	11.80%	S, E	
El Dorado	\$9,419,000	\$16,346,000	\$98,259,000	\$70,152,000	\$194,176,000	\$5,245,015	9.83%	S, C	
Fresno	\$636,000	\$1,266,000	\$5,820,000	\$2,106,000	\$9,828,000	\$34,825,678	17.94%	S, C, E	
Glenn	\$827,000	\$3,644,000	\$21,819,000	\$11,493,000	\$37,783,000	\$947,581	9.64%	S, C	
Humboldt	\$968,000	\$4,015,000	\$20,215,000	\$7,461,000	\$32,659,000	\$5,563,633	14.73%	S, C, E	
Imperial	\$1,168,000	\$453,000	\$10,938,000	\$1,815,000	\$14,374,000	\$5,384,229	16.49%	S, C, E	
Inyo	\$8,570,000	\$25,978,000	\$135,408,000	\$66,067,000	\$226,023,000	\$1,084,456	7.54%	S	
Kern	\$1,064,000	\$1,789,000	\$10,223,000	\$9,394,000	\$22,470,000	\$28,902,525	12.79%	S, C	
Kings	\$1,019,000	\$2,439,000	\$11,069,000	\$4,753,000	\$19,280,000	\$3,746,141	16.67%	S, C	
Lake	\$681,000	\$1,402,000	\$6,587,000	\$1,715,000	\$10,385,000	\$1,622,624	8.42%	S, C	
Lassen	\$50,564,000	\$133,307,000	\$904,739,000	\$1,140,068,000	\$2,228,678,000	\$916,866	8.83%	S, C	
Los Angeles	\$3,103,000	\$4,143,000	\$25,121,000	\$8,771,000	\$41,138,000	\$440,523,499	19.77%	S, C, E	
Madera	\$6,070,000	\$17,587,000	\$83,564,000	\$35,038,000	\$142,259,000	\$3,625,466	8.81%	S, C	
Marin	\$197,000	\$885,000	\$6,566,000	\$6,566,000	\$7,648,000	\$617,711	8.08%	S, C	
Mariposa	\$2,040,000	\$3,177,000	\$17,133,000	\$7,674,000	\$30,024,000	\$4,055,743	13.51%	S, E	
Mendocino	\$4,161,000	\$4,456,000	\$25,361,000	\$18,181,000	\$52,159,000	\$6,918,914	13.27%	S, C	
Merced	\$503,000	\$72,000	\$2,982,000	\$1,170,000	\$4,274,000	\$291,874	6.83%	S	
Modoc	\$387,000	\$1,843,000	\$5,688,000	\$1,843,000	\$7,918,000	\$767,464	9.69%	S, E	
Mono	\$6,427,000	\$14,915,000	\$86,046,000	\$32,031,000	\$139,419,000	\$18,695,013	13.41%	S, C, E	
Monterey	\$2,967,000	\$7,847,000	\$41,695,000	\$12,591,000	\$65,100,000	\$6,294,032	9.67%	S, C	
Napa	\$1,558,000	\$5,960,000	\$25,515,000	\$7,966,000	\$40,999,000	\$3,887,759	9.48%	S, C	
Nevada	\$31,574,000	\$144,501,000	\$712,393,000	\$268,336,000	\$1,156,804,000	\$180,278,872	15.58%	S, C, E	
Orange	\$7,213,000	\$13,925,000	\$69,796,000	\$23,073,000	\$114,007,000	\$15,751,508	13.82%	S, C	
Placer	\$26,000	\$2,328,000	\$9,424,000	\$1,611,000	\$13,389,000	\$831,761	6.21%	S, C	
Plumas									

**Figure 8**  
**Property Tax Sources for the Swap**

Riverside	\$22,869,000	\$32,433,000	\$101,026,000	\$218,260,000	\$374,588,000	\$61,675,652	16.46%	S, C, E
Sacramento	\$11,165,000	\$16,812,000	\$122,089,000	\$124,789,000	\$274,855,000	\$64,628,820	23.51%	S, C, E
San Benito	\$622,000	\$2,047,000	\$2,558,000	\$2,556,000	\$17,783,000	\$1,815,440	10.21%	S, C
San Bernardino	\$5,406,000	\$32,050,000	\$130,511,000	\$189,495,000	\$357,462,000	\$72,262,209	20.22%	S, C, E
San Diego	\$29,604,000	\$105,520,000	\$202,003,000	\$621,137,000	\$958,264,000	\$142,082,922	14.83%	S, C, E
San Francisco	\$3,045,000	\$8,078,000	\$138,524,000	\$43,054,000	\$189,656,000	\$55,633,036	29.33%	C, E
San Joaquin	\$7,838,000	\$9,002,000	\$64,200,000	\$65,648,000	\$141,895,000	\$24,454,995	17.23%	S, C, E
San Luis Obispo	\$21,530,000	\$13,235,000	\$22,695,000	\$75,733,000	\$119,501,000	\$11,164,066	9.34%	S, C
San Mateo	\$10,144,000	\$41,373,000	\$83,780,000	\$239,693,000	\$386,376,000	\$55,074,294	14.25%	S, C
Santa Barbara	\$41,599,000	\$14,752,000	\$34,417,000	\$102,049,000	\$161,362,000	\$19,773,041	12.25%	S, C
Santa Clara	\$4,105,000	\$90,323,000	\$190,825,000	\$499,913,000	\$822,660,000	\$138,621,046	16.85%	S, C, E
Santa Cruz	\$2,287,000	\$9,547,000	\$21,332,000	\$60,482,000	\$95,466,000	\$11,593,121	12.14%	S, C
Shasta	\$43,000	\$5,323,000	\$13,211,000	\$35,492,000	\$56,313,000	\$8,124,608	14.43%	S, C, E
Sierra	\$530,000	\$1,939,000	\$3,667,000	\$872,000	\$1,234,000	\$82,038	6.65%	S, E
Siskiyou	\$2,900,000	\$4,996,000	\$37,119,000	\$10,205,000	\$16,341,000	\$1,690,451	10.34%	S, C
Solano	\$7,168,000	\$17,538,000	\$39,542,000	\$111,880,000	\$86,033,000	\$16,705,923	19.42%	S, C, E
Sonoma	\$12,065,000	\$14,270,000	\$29,805,000	\$82,311,000	\$176,128,000	\$25,865,008	14.69%	S, C, E
Stanislaus	\$603,000	\$3,203,000	\$6,771,000	\$15,244,000	\$138,451,000	\$20,480,973	14.79%	S, C
Sutter	\$1,549,000	\$1,556,000	\$4,009,000	\$10,047,000	\$25,821,000	\$3,769,080	14.60%	S, C
Tehama	\$283,000	\$749,000	\$546,000	\$2,857,000	\$17,161,000	\$1,933,384	11.27%	S, C
Trinity	\$3,347,000	\$7,870,000	\$31,806,000	\$42,888,000	\$4,435,000	\$278,117	6.27%	S
Tulare	\$494,000	\$2,377,000	\$4,200,000	\$14,293,000	\$85,911,000	\$13,754,789	16.01%	S, C, E
Tuolumne	\$7,992,000	\$23,881,000	\$70,518,000	\$146,392,000	\$248,783,000	\$1,977,317	9.26%	S, C
Ventura	\$2,398,000	\$4,281,000	\$17,541,000	\$25,626,000	\$49,846,000	\$36,418,488	14.64%	S, C, E
Yolo	\$1,007,000	\$1,514,000	\$5,049,000	\$6,990,000	\$14,560,000	\$8,991,049	18.04%	S, C, E
Yuba						\$1,677,559	11.52%	S, C
<b>Statewide</b>	<b>\$365,518,000</b>	<b>\$945,539,000</b>	<b>\$3,446,761,000</b>	<b>\$5,605,917,000</b>	<b>\$10,363,735,000</b>	<b>\$1,743,505,909</b>	<b>16.82%</b>	



**Figure 9**  
**Education Property Tax Pre- and Post-Swap**

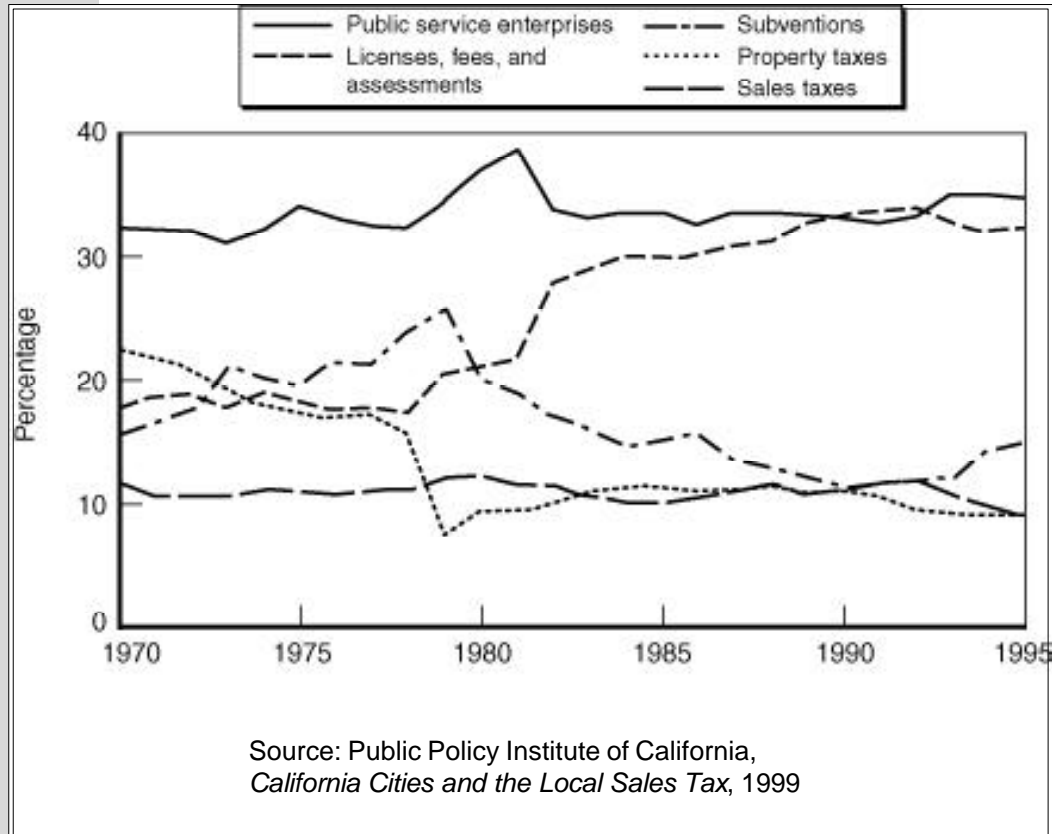
County	Current Property Tax		Sales Tax Transfer		New Property Tax	
	Allocation Percentage (#)	Total Education Property Tax 1997-98	1/2 Cent Sales Tax Transfer 1997-98	Sales Tax Transfer as a % of Total Education Property Tax	Allocation Percentage (#)	Total Education Property Tax 1997-98 Post Transfer
Alameda	48.07%	\$397,007,000	\$95,586,617	24.08%	36.50%	\$301,420,383
Alpine	26.40%	\$579,000	\$144,613	24.98%	19.81%	\$434,387
Amador	60.78%	\$13,910,000	\$1,396,099	10.04%	54.68%	\$12,513,901
Butte	71.65%	\$61,464,000	\$8,252,998	13.43%	62.03%	\$53,211,002
Calaveras	66.47%	\$19,177,000	\$958,502	5.00%	63.15%	\$18,218,498
Colusa	58.70%	\$9,732,000	\$960,082	9.87%	52.91%	\$8,771,919
Contra Costa	54.20%	\$349,056,000	\$48,137,346	13.79%	46.73%	\$300,918,655
Del Norte	68.12%	\$6,404,000	\$755,379	11.80%	60.09%	\$5,648,621
El Dorado	49.24%	\$53,363,000	\$5,245,015	9.83%	44.40%	\$48,117,986
Fresno	63.23%	\$194,176,000	\$34,825,678	17.94%	51.89%	\$159,350,322
Glenn	67.37%	\$9,828,000	\$947,581	9.64%	60.87%	\$8,880,420
Humboldt	67.17%	\$37,783,000	\$5,563,633	14.73%	57.28%	\$32,219,367
Imperial	62.74%	\$32,659,000	\$5,384,229	16.49%	52.40%	\$27,274,772
Inyo	62.19%	\$14,374,000	\$1,084,456	7.54%	57.50%	\$13,289,545
Kern	59.89%	\$226,023,000	\$28,902,525	12.79%	52.23%	\$197,120,475
Kings	58.06%	\$22,470,000	\$3,746,141	16.67%	48.38%	\$18,723,859
Lake	62.42%	\$19,280,000	\$1,622,624	8.42%	57.16%	\$17,657,376
Lassen	71.70%	\$10,385,000	\$916,866	8.83%	65.37%	\$9,468,135
Los Angeles	47.74%	\$2,228,678,000	\$440,523,499	19.77%	38.30%	\$1,788,154,502
Madera	75.60%	\$41,138,000	\$3,625,466	8.81%	68.94%	\$37,512,534
Marin	58.17%	\$142,259,000	\$16,008,495	11.25%	51.63%	\$126,250,505
Mariposa	67.97%	\$7,648,000	\$617,711	8.08%	62.48%	\$7,030,289
Mendocino	62.37%	\$30,024,000	\$4,055,743	13.51%	53.95%	\$25,968,258
Merced	64.76%	\$52,159,000	\$6,918,914	13.27%	56.17%	\$45,240,086
Modoc	63.79%	\$4,274,000	\$291,874	6.83%	59.43%	\$3,982,127
Mono	40.98%	\$7,918,000	\$767,464	9.69%	37.01%	\$7,150,536
Monterey	65.30%	\$139,419,000	\$18,695,013	13.41%	56.54%	\$120,723,988
Napa	65.96%	\$65,100,000	\$6,294,032	9.67%	59.58%	\$58,805,968
Nevada	59.56%	\$40,999,000	\$3,887,759	9.48%	53.92%	\$37,111,242
Orange	68.73%	\$1,156,804,000	\$180,278,872	15.58%	58.02%	\$976,525,128
Placer	62.22%	\$114,007,000	\$15,751,508	13.82%	53.63%	\$98,255,493

**Figure 9**  
**Education Property Tax Pre- and Post-Swap**

<b>Plumas</b>	65.52%	\$13,389,000	\$831,761	6.21%	61.45%	\$12,557,240
<b>Riverside</b>	62.31%	\$374,588,000	\$61,675,652	16.46%	52.05%	\$312,912,348
<b>Sacramento</b>	52.67%	\$274,855,000	\$64,628,820	23.51%	40.29%	\$210,226,180
<b>San Benito</b>	73.67%	\$17,783,000	\$1,815,440	10.21%	66.15%	\$15,967,560
<b>San Bernardino</b>	57.40%	\$357,462,000	\$72,262,209	20.22%	45.79%	\$285,199,791
<b>San Diego</b>	66.29%	\$958,264,000	\$142,082,922	14.83%	56.47%	\$816,181,079
<b>San Francisco</b>	33.92%	\$189,656,000	\$55,633,036	29.33%	23.97%	\$134,022,965
<b>San Joaquin</b>	58.06%	\$141,895,000	\$24,454,995	17.23%	48.05%	\$117,440,006
<b>San Luis Obispo</b>	63.10%	\$119,501,000	\$11,164,066	9.34%	57.21%	\$108,336,934
<b>San Mateo</b>	64.72%	\$386,376,000	\$55,074,294	14.25%	55.49%	\$331,301,706
<b>Santa Barbara</b>	61.92%	\$161,362,000	\$19,773,041	12.25%	54.33%	\$141,588,960
<b>Santa Clara</b>	69.36%	\$822,660,000	\$138,621,046	16.85%	57.67%	\$684,038,954
<b>Santa Cruz</b>	64.81%	\$95,466,000	\$11,593,121	12.14%	56.94%	\$83,872,880
<b>Shasta</b>	70.82%	\$56,313,000	\$8,124,608	14.43%	60.60%	\$48,188,393
<b>Sierra</b>	33.52%	\$1,234,000	\$82,038	6.65%	31.29%	\$1,151,962
<b>Siskiyou</b>	66.77%	\$16,341,000	\$1,690,451	10.34%	59.86%	\$14,650,549
<b>Solano</b>	54.26%	\$86,033,000	\$16,705,923	19.42%	43.72%	\$69,327,077
<b>Sonoma</b>	62.31%	\$176,128,000	\$25,865,008	14.69%	53.16%	\$150,262,993
<b>Stanislaus</b>	76.72%	\$138,451,000	\$20,480,973	14.79%	65.37%	\$117,970,027
<b>Sutter</b>	65.04%	\$25,821,000	\$3,769,080	14.60%	55.55%	\$22,051,921
<b>Tehama</b>	66.31%	\$17,161,000	\$1,933,384	11.27%	58.84%	\$15,227,617
<b>Trinity</b>	65.08%	\$4,435,000	\$278,117	6.27%	61.00%	\$4,156,884
<b>Tulare</b>	64.53%	\$85,911,000	\$13,754,789	16.01%	54.20%	\$72,156,212
<b>Tuolumne</b>	63.62%	\$21,364,000	\$1,977,317	9.26%	57.73%	\$19,386,683
<b>Ventura</b>	55.63%	\$248,783,000	\$36,418,488	14.64%	47.49%	\$212,364,512
<b>Yolo</b>	65.02%	\$49,846,000	\$8,991,049	18.04%	53.29%	\$40,854,951
<b>Yuba</b>	<u>65.88%</u>	<u>\$14,560,000</u>	<u>\$1,677,559</u>	<u>11.52%</u>	<u>58.29%</u>	<u>\$12,882,441</u>
<b>Statewide</b>		<b>\$10,363,735,000</b>	<b>\$1,743,505,909</b>	<b>16.82%</b>		<b>\$8,620,229,092</b>

# Calculated based on total allocatable revenue (i.e., total countywide property tax revenues less redevelopment).  
Each figure represents a weighted average of all county education allocation factors.

**Figure 10**



**Figure 11**

**Number of Jurisdictions That Would Be Better or Worse Off Under a Statewide, Population-Based Distribution of the Local Sales Tax, 1994**

Type of Percent of State Jurisdiction	Number of Jurisdictions	Percent of Total Cities or Counties	Total Population of Such Jurisdictions	Total Population of Population
Cities that would be better off	240	51.1	13,539,375	39.6
Cities that would be worse off	209	44.5	12,893,360	40.7
Counties that would be better off	51	89.5	5,240,000	16.6
Counties that would be worse off	6	10.5	984,680	3.1

\*\*NOTES: Population for counties refers to unincorporated areas only.  
City and County of San Francisco is counted as a city.

Source: Public Policy Institute of California, *California Cities and the Local Sales Tax, 1999*

**Figure 12**

**Characteristics of Cities Gaining and Losing Revenues Under a Statewide, Population-Based Distribution of the Local Sales Tax**

	<u>Gaining Cities</u>	<u>Losing Cities</u>
No. in Los Angeles area	108	69
No. in San Francisco Bay area	48	52
No. in Central Valley	57	32
No. in rest of state	48	56
No. urbanized	152	141
No. nonurbanized	100	63
No. central cities	9	27
Mean per capita income, 1989	\$17,090	\$17,854
Mean household size, 1990	3.0	2.6
Mean % black, 1990	4.3	3.4
Mean % Hispanic, 1990	28.5	19.9
Mean % senior citizens, 1990	11.0	13.0
% of own-source local revenue from sales taxes, 1993	18	28

Source: Public Policy Institute of California,  
*California Cities and the Local Sales Tax*, 1999

# APPENDIX C: RELEVANT ARTICLES

## Reform School: California and Its Local Governments

By Dean Misczynski, California Research Bureau

Struggle between California (the State) and its cities, counties, and districts is a drop-dead constant. It achieved considerable intensity during the 1850's, and was a centerpiece in the framing of the state's 1879 Constitution. It flared during the Progressive 19-teens, during the depression, during the 1960's, reached a kind of apogee with 1978's Proposition 13, and has continued with some, possibly growing, bitterness since. Proposals for reform abound (from the cities and counties, of course, from legislators, from California's ignored Constitutional Revision Commission, from the foundation-funded California Governance Consensus Project, from the Legislative Analyst, from think tanks). More are coming. So far, none has had legs. This is partly because there are many terribly sacred cows in this corral. It may be partly because the subject is complex, techy, and jargony ("Realignment", ERAF, AB 8, and "Fiscalization" are prerequisite concepts), largely inaccessible to ordinary, well-adjusted people. It is partly because the conflict has several threads, which get unavoidably or perhaps intentionally interwoven and partly obscured in conversation. This essay foolishly attempts to identify main threads with which any local government finance reform proposal should deal, and against which proposals might be judged.

### Seven Threads

I propose that there are seven main threads, and another handful of lesser, but by no means trivial, loose ends. The threads are:

**(1) The Adequacy Issue.** Local officials take it as unbearably obvious that they are starved for funds, compelled to cut local services beyond lean meat, and that the citizenry is consequently devastated.

This proposition appears to be less obvious to state legislators, and, ultimately more importantly, to many voters.

Analysis of data suggests that the truth is complex. Real spending (that is, adjusted for inflation) per person has stayed reasonably constant for most programs in most communities for more than a decade, and has increased for some programs. Parks and libraries are more likely to have gone down, police and sheriffs to have gone up. Spending data does not support the devastation hypothesis. Of course, the same real spending may not buy as much. Juvenile homicides cost more to prosecute than the juvenile crimes of yore. But this line of debate is inconveniently murky.

**(2) The Shock Absorber Problem.** California experiences business cycles, with lean years and fat years. Curiously, the state has nothing much in the way of a counter-cyclical policy. It spends with profligate energy in fat years and is invariably surprised and financially embarrassed in lean years. The idea of accumulating a cushioning reserve in the good times appears to be politically oxymoronic (dismissed as an “obscene surplus” in one of Jesse Unruh’s less fortunate quips). California has few trigger operated automatic stabilizers that might increase revenues or decrease spending during recession. This would be only a curiosity to local governments were it not for the state’s practice of using local governments as fiscal shock absorbers during lean years. The most important recent example occurred during the early 1990’s recession, when the state diverted some \$3 billion from local government budgets to the schools, thereby freeing up \$3 billion of state money (this is known as the ERAF shift). The transfer helped the state balance its books, at the expense of unbalancing local ones.

It is hard to imagine serious state/local reform that did not include insulation or at least explicit understanding about how local revenues would be treated during recessions.

**(3) The Fiscalization of Land Use.** It is widely believed that our local government financing arrangements distort land use decision-making. In particular, shopping centers, auto dealerships, hotels, and other commercial developments are enormously attractive because they produce abundant sales tax revenue for the lucky local agency where they are sited. Housing, except perhaps for its very expensive varieties, is less blessed, and probably costs local agencies more in service costs than it returns in tax revenues. A troubling newer phenomenon is that industrial projects are seen as fiscal losers, with the result that too little land may be zoned for these job generating projects.

It is hard to imagine serious reform that did not improve this fiscal incentive system.

**(4) The Evisceration of Home Rule.** The first hundred years of the state/local struggle was about whether localities could govern their own affairs without interference by the Legislature. This was not idle angst. The early Legislature meddled unscrupulously in intimate city matters. It required cities to invest local funds in railroads, to pay individual contractors amounts determined by the state, to levy local taxes for state-specified purposes (Sacramento was required to levy a city tax to pay for a site for the State Horticultural Society). The Legislature created a state commission, empowered it to take over a city park in San Francisco, grade it, subdivide the land, sell the lots, and use the proceeds to build a city hall.

California’s Constitution was repeatedly amended (beginning in 1879) to try to protect local self-government. Perhaps unfortunately,

California's courts have not been sympathetic with the Constitution's home rule fetish, and have approved evasions of most of these provisions.

Perhaps no one cares. Cities and counties mostly clamor for more money, not for more self-rule. Still, it seems worth raising the question as part of an examination of the state/local relationship.

**(5) The County Problem.** Counties suffer from inherent identity crises. They are partly regular local governments that provide regular local services, as if they were rural cities (some counties have ultraurban areas). They are partly camouflaged extensions of the state's bureaucracy, administering welfare, health, and other programs so precisely state-tailored that the county role is chiefly robotic.

This personality disorder causes tensions. The most important is about money. Counties argue that the state does not provide enough money to pay for the programs it requires counties to run. The state might reply that surely the counties should contribute to the upkeep of their own poor, ill, criminal, or otherwise troubled citizens. This tension compounds during recession, when the state is especially likely to underfund state/county programs. This creates fiscal back suction, drawing money that the county intended to use to provide local services back into the state/county programs. It understandably drives county supervisors wild.

**(6) The Allocation Rules.** Before Proposition 13, local governments set their own property tax rates, and counties collected the money and handed it out to other local agencies based on their rates. After Proposition 13, the property tax rate was constitutionally set at one percent of each parcel's value. To whom the resulting revenue should go was far from obvious. The Legislature, seeking wave avoidance, handed the money out based on each agency's share of local property tax in the three years before Proposition 13. It was a brilliant interim solution. Now, 21 years later, it is suspect, and the resulting money allocation seems more nearly random than thoughtful. It is surely time to at least think about whether some better arrangement could be devised (although localities that do well under the present rules would go volcanic).

**(7) Local Tax Rate Autonomy.** Arguably the central power of government is to tax and spend (not necessarily liberally). Autonomous local governments would have the power to set their own tax rates, and to decide to be a high tax/high service community or the opposite (or, occasionally, unfortunately, a high tax/low service community). California local governments largely lack this authority, at least for their most powerful local revenue engines, the property and sales tax. If one cares about having truly autonomous local governments, it is worth thinking about whether some increased ability to set their own property and sales tax rates is in order. Local vote requirements would be

constitutionally required, of course, although there is ongoing debate about whether majority or two-thirds is the right level.

This seems a low priority with local officials. They would far rather fight over the revenues from existing taxes, which is not surprising.

## Other Strains

There are several other strains of local government reform that would show up on many people's short list. These include:

- Regions. Cities and counties are arguably too local and provincial in making decisions, especially about land use and economic development
- Redevelopment. Some studies question whether redevelopment is an effective use of public funds.
- Development financing. California has elaborate arrangements for financing highways, schools, water and sewer treatment, parks, and environmental mitigation required because of new development. They are a persistent source of tension.
- Special districts. Understanding special districts is a little like decoding DNA. But to summarize: most, funded by service fees, are financially healthy (more money would be better, of course). Some have suffered (some libraries, some parks, for example). Their problems mostly fall under the Allocation Rules and Local Tax Autonomy headings. ☺

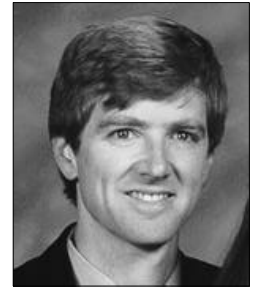


# Property Tax Fairness Among Local Governments Means Consolidating Local Governance

By Michael J. Coleman

One bill in the 1999 legislative session was sponsored by a city complaining that its share of the local property tax was unfairly low. The average share in other cities is much higher, the city argued, and it ought to be given more at the expense of the county. It might sound like this city has a case, but it's not so simple.

Many cities and counties argue their property tax shares are unfairly low compared to their neighbors. Some may be right. An important but unintended consequence of Proposition 13 was the shift of authority over the allocation of local property tax revenues from local governments to the state. Under the formula established by the Legislature following the passage of Proposition 13, local property tax shares depend on the relative pre-1979 tax rates of the county, city, special districts, and schools that serve a particular area. A city that provides fewer services or chose to keep its property tax rates low in the 1970s may now be stuck with a share that is unfairly low.



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But not all cities should be receiving the same share of local property tax revenues. After all, city tax rates weren't the same before Proposition 13 when cities could control their own rates. There are reasons for the differences.

## Apples & Oranges: City Service Responsibilities Differ

All cities are not created equally. The obvious size/population differences aside, cities differ in what they do - in the services for which they are financially responsible. This has nothing to do with whether a city chooses to contract out a service. It concerns financial responsibility: Does the city have to pay for the service?

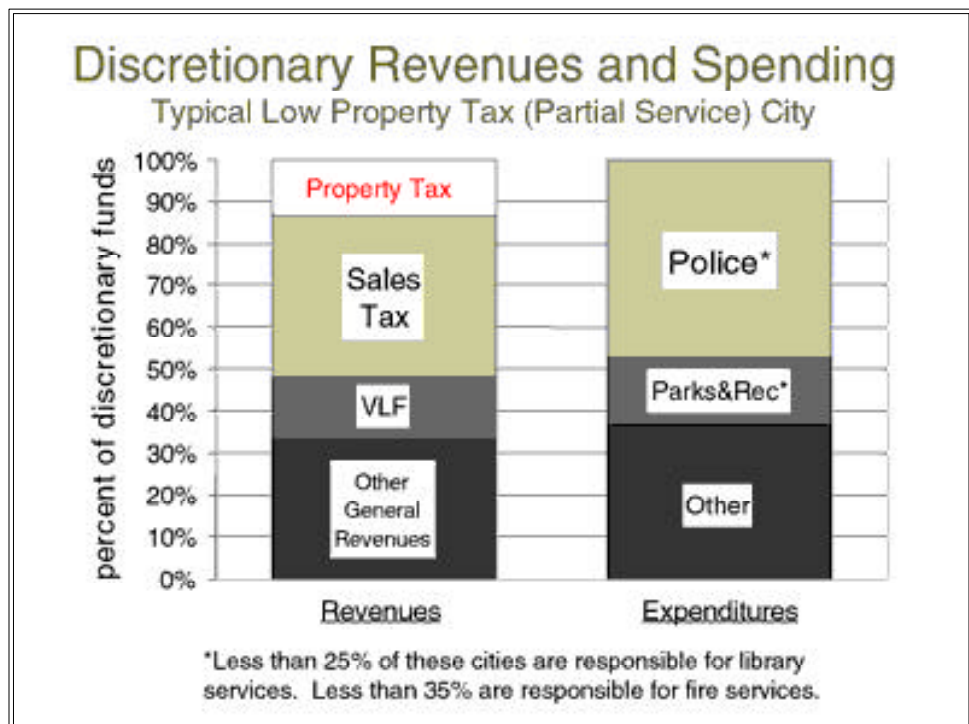
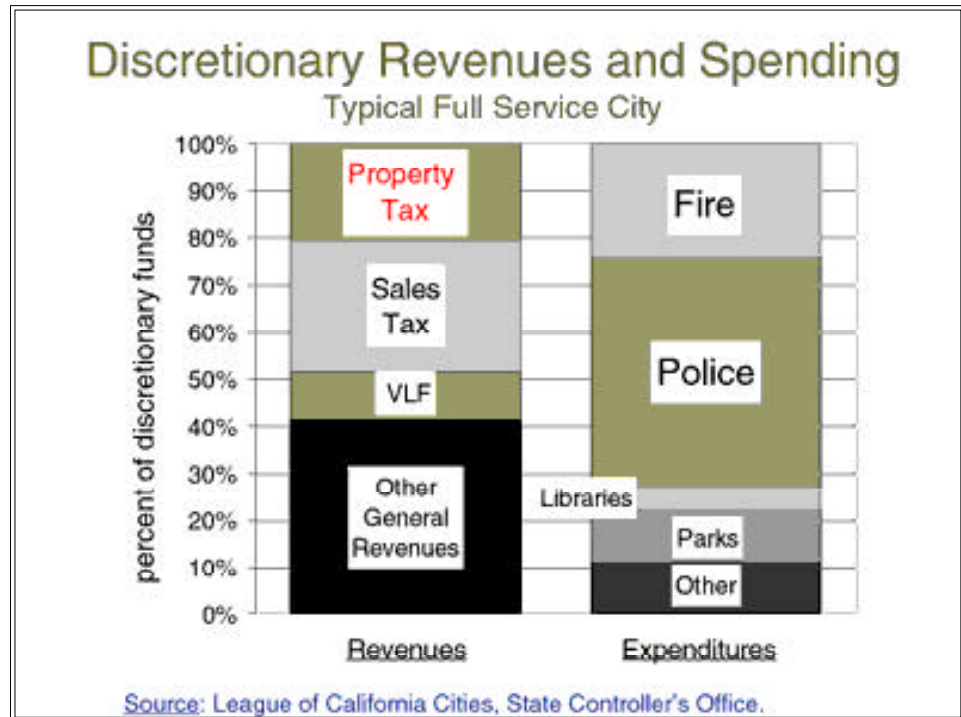
Some facts:

- Less than one-third of California cities are "full service"(1) (but they serve a majority of the state's population);
- 28% aren't responsible for fire (the service is provided by a special district);
- 63% aren't responsible for library (service provided by a district)

Fire and library are the most common non-enterprise(2) city services to have been shed to a special district by a city. In most full-service cities,

the cost of providing fire service alone eats up the entire property tax revenues of the city and more. So in a partial service city, one that's not responsible for fire service, any property tax revenue they get is essentially money ahead compared to their full service neighbor.

This difference in service responsibility is the most significant factor in explaining the differences among city property tax shares. Take this into account and many of the "disparities" disappear.



“ For all their good intentions, many local elected officials are hampered in their efforts to provide efficient, responsive local public services by a complex fragmentation of local services and finances.”

In Los Angeles County, the city of Covina gets less than 15 percent of the 1 percent property tax in its community. It is a full-service city, responsible for library, police, etc. - and fire protection. Across the county in Lakewood, a partial-service city, the Los Angeles Consolidated Fire Protection District gets 18 percent of the property tax share, just for providing fire service. Add to that the 6 percent Lakewood gets and 2 percent that goes to the Library District, and you have over 26 percent going to the same collection of services that get less than 15 percent in Covina.

The problem for most of these “partial-service” cities is not so much one of a lack of money or of inequity, it’s a problem of a distorted financing system that doesn’t encourage balanced land use planning, a system beset by fragmented local governance. The problem is not that rates differ. It’s that they are based on a 20-plus-year-old snapshot. A side-effect of Proposition 13’s tax limitation victory is that it took away local control of the rate, so communities can no longer affect their property tax revenues in response to differences in property values, service demands, and willingness to pay.

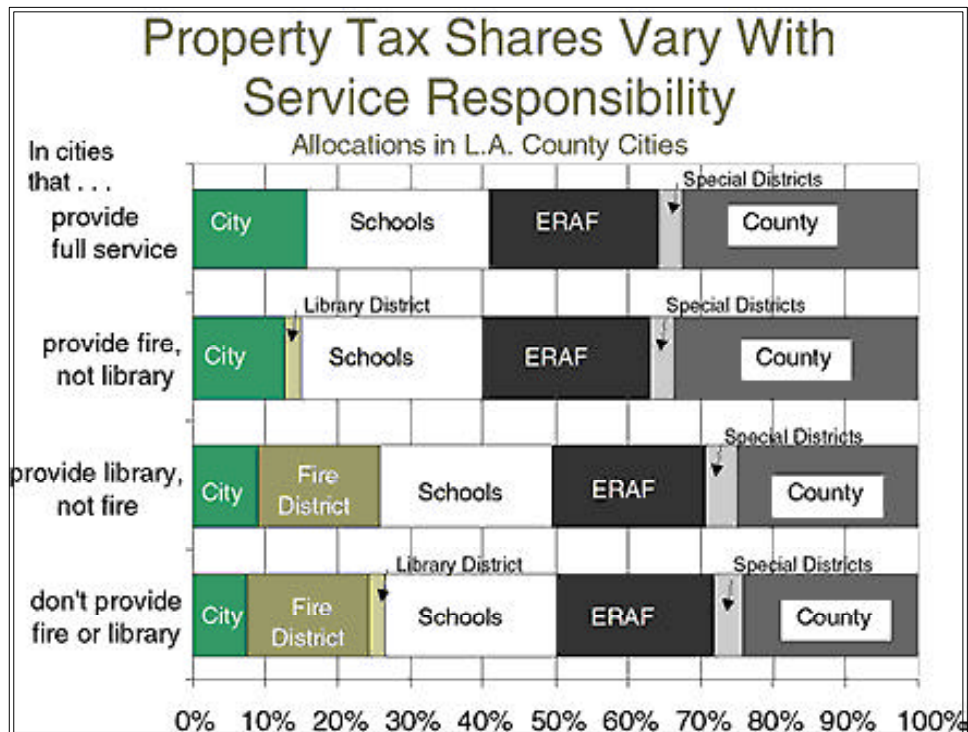
### California’s Balkans: Fragmented Local Government

For all their good intentions, many local elected officials are hampered in their efforts to provide efficient, responsive local public services by a complex fragmentation of local services and finances. In many communities numerous overlapping special districts split responsibilities with the city and county. Tax allocations may be out of step with current priorities, but no one has the local authority to change things.

Good local governance requires:

- Ability to set priorities across a broad spectrum of needs.
- Ability to coordinate programs for efficient service delivery.
- Ability to fund these programs adequately with revenues that are rationally tied to the program.
- Ability to change priorities, funding allocations, and service delivery methods as circumstances change.

California cities are generally well governed. But in many California localities, municipal public service responsibilities and finances are divided among dozens of independent local agencies. Property tax allocations are fixed, based on circumstance more than two decades old. Because of this fragmentation, the general purpose government—the city—is hampered in its policy choices as to priorities, funding and service delivery. Local government in these cases is less efficient, less responsive, less accessible and less accountable to its citizens than it could be.



As a result of this fragmentation, partial-service cities:

- Cannot reallocate resources in later years as the community changes, as new challenges arise, and as needs and priorities change.
- Face greater financial risk with a palette of revenues that are more sensitive to fluctuations in the economy (e.g. sales tax) as well as intergovernmental actions (e.g. vehicle license fees).
- Rely on revenues that are insensitive to changes in the community. That is, city revenues are less responsive to changing service costs from growth and change in the community.
- Lose authority to ensure that their residents are receiving equitable service levels from independent special districts relative to costs.

As a result, local finance and governance in these communities has become balkanized.

This fragmentation is a key contributor to the “fiscalization of land use” problem. Partial-service cities may not have as many responsibilities, but they face such a strange structure of revenues with their very low property tax shares. They are compelled to seek sales tax generators and to go after additional local taxes because they are the only ways they can cover the costs of new development, especially housing, office and manufacturing.

## Property Tax Reform Is Essential To Improving Local Government Services

Reforming the local property tax is central to the reform of California's state and local governance system. To begin with, these reforms should:

**1. Realign local government responsibilities and finances** along rational lines and assign responsibility and accompanying property tax revenues for all local services to cities or counties. Cities and counties may delegate services to special districts under contract. Non-enterprise special districts are often the most efficient way to provide a local service, but they should do so under contract with a city or a county, not as an independent, inaccessible taxing entity. Consolidating local government finance and service responsibility into general purpose cities will improve accountability and local government responsiveness to changing needs.

**2. Shift a greater share of property taxes to cities** by (a) returning the property tax shifts and bringing all cities up to a minimal property tax revenue base line (taking into account differences in service responsibility), and (b) increasing city and county property tax shares in exchange for subventions the state is paying to cities as backfill for the car-tax cut and a portion of local sales tax revenues.

A greater share of the property tax for cities and counties will provide a more balanced mix of revenues related to public service costs and encourage more efficient and sensible land-use decisions. This can be accomplished on a phased-in, dollar-for-dollar basis so as not to harm individual agencies. In the long run, this provides a more stable revenue stream for local communities and improves the incentives for balanced land-use development.

**3. Provide constitutional protection for local taxes and fees** from raids by the state government. This includes the property tax, sales tax, and other locally approved taxes. Taxpayers must be confident that locally voted revenues cannot be taken away by Sacramento.

Current discussions of state and local government finance reform offer taxpayers an opportunity to get behind some long-needed reform of government finance. Meaningful change must deal with the excessive fragmentation of local governance and property tax allocations. Improving the structure of local finance will improve the efficiency and effectiveness of our public services, our land-use planning, and our ability to make sensible decisions that respond to a changing society.

***1. As used here, "full-service city" means a city that is financially responsible for the full set of basic tax-dependent municipal ser-***

"Current discussions of state and local government finance reform offer taxpayers an opportunity to get behind some long-needed reform of government finance."

*vices within its jurisdiction including police, fire, park & recreation, library, streets and land-use planning.*

**2. “Enterprise services” include public utilities that are largely fee for service, such as water, sewer, airports, ports, and refuse collection. D**

# APPENDIX D: ACKNOWLEDGMENTS

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