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George Williamson  
Executive Officer

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City Member

Brenda Haynes  
Special District Member

Patricia A. Clarke  
Special District Alternate

James M. Underwood  
General Counsel

Mike Daquisto  
City Member Alternate

Kathy Bull  
Manager

**Date:** April 27, 2020

**To** Brian Muir, Shasta County Auditor  
Leslie Morgan Shasta County Assessor

**From:** George Williamson, Executive Officer & Kathy Bull, Office Manager

**Subject:** Application for Consolidation of McArthur and Fall River Mills Fire Protection Districts, annexation of territory and Dissolution of the McArthur Fire Protection District

Shasta LAFCo has received an application for Consolidation of McArthur and Fall River Mills Fire Protection Districts, annexation of additional territory in Shasta County to be detached from County Service Area #1 (Shasta County Fire) and Dissolution of the McArthur Fire Protection District. The application also includes annexation of parcels in Modoc and Lassen Counties. The applicants propose applying applicable Fall River Mills Fire Protection District parcel assessments to the taxable areas of the McArthur Fire Protection District and annexed territory. A map of the existing FPD boundaries and proposed annexations is attached.

A key part of LAFCO's review of this proposal is to work with the applicants to project property-based revenues for the consolidated area. We're seeking Shasta County Auditor and Assessor assistance for this for territory in Shasta County. Separate requests are being made to Modoc and Lassen Counties. You should have already received a letter from the Fire Protection Districts requesting a property tax revenue sharing agreement with the County.

Shasta LAFCo is requesting a determination of the property tax allocation between the affected Shasta County agencies, in accordance with the Revenue and Taxation Code Section 99 (b). Shasta LAFCo is providing an electronic database of Assessor's Parcels included in the proposed consolidation and annexation areas in the attached spreadsheet, including:

Area – Shasta County Only	# of Assessor Parcels	Acreage
Fall River Mills FPD	786	25,056.86
McArthur FPD	600	10,925.38
Shasta County north annexation area*	282	18,192.71
Shasta County south annexation area**	56	4,923.34
<b>Totals</b>	<b>1,724</b>	<b>59,098.29</b>

\* Does not include parcels in Modoc County proposed for Annexation

\*\* Does not include parcels in Lassen County proposed for Annexation

To determine potential revenues of this proposal, the Revenue and Taxation Code Section 99 (b), states:

- (1) (A) The county assessor shall provide to the county auditor, within 30 days of the notice of filing, a report which identifies the assessed valuations for the territory subject to the jurisdictional change and the tax rate area or areas in which the territory exists.

- (B) The auditor shall estimate the amount of property tax revenue generated within the territory that is the subject of the jurisdictional change during the current fiscal year.
- (2) The auditor shall estimate what proportion of the property tax revenue determined pursuant to paragraph (1) is attributable to each local agency pursuant to Code Section 96.1 and 96.5.
- (3) The auditor shall notify the governing body of each local agency whose service area or service responsibility will be altered by the jurisdictional change of the amount of, and allocation factors with respect to, property tax revenue estimated pursuant to paragraph (2) subject to a negotiated exchange.
- (4) Upon receipt of the estimates pursuant to paragraph (3), the local agencies shall commence negotiations to determine the amount of property tax revenues to be exchanged between and among the local agencies. Except as otherwise provided, this negotiation period shall not exceed 60 days. If a local agency involved in these negotiations notifies the other local agencies, the county auditor, and the local agency formation commission in writing of its desire to extend the negotiation period, the negotiation period shall be 90 days.
- The exchange may be limited to an exchange of property tax revenues from the annual tax increment generated in the area subject to the jurisdictional change and attributable to the local agencies whose service area or service responsibilities will be altered by the proposed jurisdictional change. The final exchange resolution shall specify how the annual tax increment shall be allocated in future years.
- (5) In the event that a jurisdictional change would affect the service area or service responsibility of one or more special districts, the board of supervisors of the county or counties in which the districts are located shall, on behalf of the district or districts, negotiate any exchange of property tax revenues. Prior to entering into negotiation on behalf of a district for the exchange of property tax revenue, the board shall consult with the affected district. The consultation shall include, at minimum, notification to each member and executive officer of the district board of the pending consultation and provision of adequate opportunity to comment on the negotiation.

Thank you for your assistance. For questions, please contact either:

George Williamson, Executive Officer 707-496-0861 [exec@shasta.LAFCO.ca.gov](mailto:exec@shasta.LAFCO.ca.gov) or  
Kathy Bull, Office Manager 530-242-1112 [manager@shasta.LAFCO.ca.gov](mailto:manager@shasta.LAFCO.ca.gov)

Exhibit A: parcel database

Exhibit B: Map

CC McArthur FPD Chief Jeff Oldson  
Shasta County Supervisor Mary Rickert