



**San Diego County**  
**Local Agency Formation Commission**  
 Regional Service Planning | Subdivision of the State of California

**7b**

**AGENDA REPORT**  
 Business | Discussion

June 7, 2021

**TO:** Commissioners

**FROM:** Keene Simonds, Executive Officer  
 Ed Sprague, Local Government Consultant

**SUBJECT: Commission Information Request |  
 Distribution of Property Taxes to Fire Protection Districts and Related Items**

**SUMMARY**

The San Diego County Local Agency Formation Commission (LAFCO) will receive a report on the allocation of property taxes among the 13 fire protection districts that receive a portion of 1% collected by the County of San Diego. The report has been prepared in response to a request made by the Commission at the May meeting and notes the allocation among fire protection districts range from a high of 32.3% to a low of 1.9% with the average of 12.2%. The report also addresses the property tax exchange process associated with proposed jurisdictional changes under consideration by LAFCO. The report is for discussion only.

**BACKGROUND**

**Commission Request**

At its May 3, 2021 meeting, San Diego LAFCO considered a request from Commissioner Willis for staff to review the property tax allocations among fire protection districts in San Diego County. Commissioner Willis made the request in conjunction with learning the recently formed San Diego County Fire Protection District (i.e. County Fire Authority) will be receiving 6% of the 1% in property taxes; and amount – as Commissioner Willis’ communicated – seemingly higher than the allocations for other fire protection districts. The Commission

<b>Administration</b> Keene Simonds, Executive Officer County Operations Center 9335 Hazard Way, Suite 200 San Diego, California 92123 T 858.614.7755 F 858.614.7766 www.sdlafco.org	<b>Vice Chair Jim Desmond</b> County of San Diego	<b>Paul McNamara</b> City of Escondido	<b>Chris Cate</b> City of San Diego	<b>Jo MacKenzie</b> Vista Irrigation	<b>Chair Andy Vanderlaan</b> General Public
	<b>Nora Vargas</b> County of San Diego	<b>Mary Casillas Salas</b> City of Chula Vista	<b>Marni von Wilpert, Alt.</b> City of San Diego	<b>Barry Willis</b> Alpine Fire Protection	<b>Harry Mathis, Alt.</b> General Public
	<b>Joel Anderson, Alt.</b> County of San Diego	<b>Kristi Becker, Alt.</b> City of Solana Beach	<b>Vacant, Alt.</b> Special District		

proceeded to discuss the parameters of the request and asked staff to return with a brief discussion item in June focusing on the property tax exchange process and existing allocation amounts among fire protection districts.

## DISCUSSION

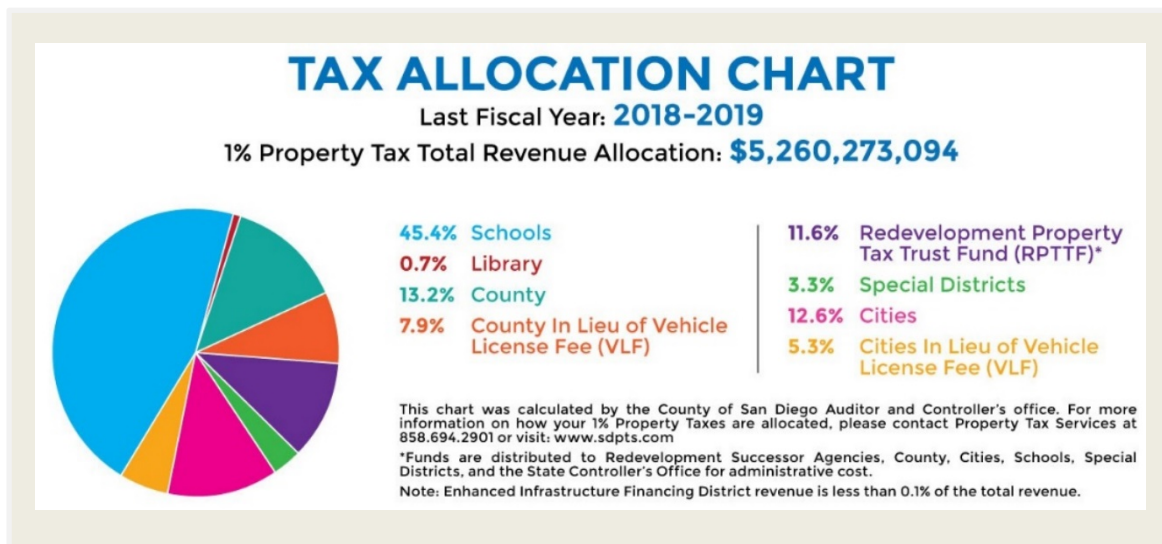
This item is for San Diego LAFCO to review information requested by the Commission involving property tax allocations involving fire protection districts. The information is provided for discussion and divided into the following four related topics: general property tax information; allocations among local agencies by type; allocations among fire protection districts; and the property tax exchange process for jurisdictional changes.

### Property Tax Basics

The State of California Constitution was amended in 1978 as part of Proposition 13 to set the property tax rate to 1% plus the rate necessary to fund locally approved taxes. It also rolled back assessed values to 1975 and limited reassessments to current market value only upon a change of ownership or new construction. It also – pertinently – fixed the percentage of property taxes going to local agencies based on 1977-1978 levels. County assessors are empowered to increase assessed values no more than 2% each year with limited exceptions.

### Property Taxes in San Diego County

The County of San Diego Assessor’s Office is responsible for determining the taxable value of real property (land and structure) as part of the annual assessment roll. The County Tax Collector’s Office is responsible for billing and collection activities. The County Auditor’s Office is responsible for distributing collected property taxes to local agencies. Nearly one-half – specifically 45% – of all property tax collected in San Diego County goes to the 47 public school districts. Another 20% goes to the County of San Diego with a majority therein funding public safety and general administrative services. The 18 cities receive close to 30% with the remainder – 5% – going to special districts. These allocations are further shown below.



### Property Taxes Going to Fire Protection Districts

The funds allocated to special districts, and for this conversation fire protection districts (FPD), depends on the date of their formation. FPDs formed prior to 1978 and passage of Proposition 13 were able to maintain their proportion of the 1% property tax revenue going forward. Accordingly, if the FPD received 20% of the property tax in their area, when Proposition 13 passed they continued to receive 20%, although from a smaller slice – 20% of 1%. Those FPDs formed after Proposition 13 had to negotiate with the County of San Diego to receive a portion of the property tax proceeds – normally falling around 5% to 7%. Additional negotiations are also required to account for subsequent expansions of FPDs through annexations and addressed in the preceding section. Overall, the average portion of the 1% in property taxes that goes to FPDs is 12.2% with a high and low range of 32.3% (Lower Sweetwater FPD) and 1.9% (Deer Park Springs FPD), respectively.

Agency	District AV	District 1% Revenue	District Revenue	Percentage of the 1%	Year Established
ALPINE FIRE PROTECTION DIST. (I)	\$ 2,596,156,750	\$ 25,961,567.50	\$ 3,505,743.91	13.50%	1957
BONITA-SUNNYSIDE FIRE PROTECTION DIST. (I)	\$ 1,966,197,458	\$ 19,661,974.58	\$ 3,097,751.90	15.76%	1950
BORREGO SPRINGS FIRE PROTECTION DIST. (I)	\$ 674,210,051	\$ 6,742,100.51	\$ 1,305,306.93	19.36%	1961
DEER SPRINGS FIRE PROTECTION DIST. (I)	\$ 2,631,132,603	\$ 26,311,326.03	\$ 514,144.14	1.95%	1981
LAKESIDE FIRE PROTECTION DIST. (I)	\$ 6,954,093,203	\$ 69,540,932.03	\$ 11,293,957.17	16.24%	1963
LOWER SWEETWATER FIRE PROTECTION DIST. (I) (1)	\$ 118,553,508	\$ 1,185,535.08	\$ 383,010.18	32.31%	1944
NORTH COUNTY FIRE PROTECTION DIST. (I) (2)	\$ 8,758,702,377	\$ 87,587,023.77	\$ 15,846,195.15	18.09%	1987* (1961 & 1967)
NORTH COUNTY FPD - RAINBOW SUBZONE (I)	\$ 493,746,443	\$ 4,937,464.43	\$ 317,933.87	6.44%	1967
RANCHO SANTA FE FIRE PROTECTION DIST.	\$ 19,933,233,360	\$ 199,332,333.60	\$ 13,105,758.72	6.57%	1946
SAN MARCOS FIRE PROTECTION DIST (D) (3)	\$ 16,388,349,397	\$ 163,883,493.97	\$ 4,189,776.62	2.56%	1936
SAN MIGUEL CONSOL. FIRE PROTECTION DIST (I) (4)	\$ 15,053,792,220	\$ 150,537,922.20	\$ 15,123,171.40	10.05%	1988*
SAN MIGUEL CONSOL. FPD - GROSSMONT-MT. HELIX Z	\$ 6,583,405,177	\$ 65,834,051.77	\$ 6,154,937.55	9.35%	1988*
VALLEY CENTER FIRE PROTECTION DIST. (I)	\$ 2,913,784,773	\$ 29,137,847.73	\$ 592,124.97	2.03%	1982
VISTA FIRE PROTECTION DIST. (I)	\$ 2,706,984,350	\$ 27,069,843.50	\$ 3,651,862.17	13.49%	1944

I = Independent D = Dependent

1 Services provided by National City Fire Department

2 NCFPD formed from the Fallbrook FPD & CSA 7

3 Services provided by San Marcos Fire Department

4 SMCNCFPD formed by Crest, Bostonia, East County FPDs

- \* The San Diego County FPD was formed in December 2020 and will not appear on the tax roll until July 2022. Nonetheless, the Board of Supervisors has committed to providing the San Diego County FPD 6% of their own (County) apportionment of the 1%.

### Property Tax Exchange for FPD Jurisdictional Changes

All proposed jurisdictional changes involving local agencies – including FPDs – require a property tax exchange agreement as part of the LAFCO proceedings. Approval is made by LAFCO only when forming or dissolving special districts. The property tax exchange for all other special district jurisdictional changes (annexations, detachments, etc.) are determined by the County Board of Supervisors with a statutory requirement to “consult” with the affected special districts. It has been the long-standing practice of the County to task Planning and Development Services to consult and negotiate a property tax exchange with the affected FPDs in conjunction with making a formal recommendation to the Board for their approval. LAFCO does not participate in these negotiations. A review of recent tax exchanges shows the County typically transferring 100% of all property taxes collected for fire protection services from the losing (detaching) to gaining (annexing) agency.

## **ANALYSIS**

The preceding information is provided to San Diego LAFCO to inform a general discussion at its earlier direction. No analysis is provided at this time.

## **RECOMMENDATION**

This agenda item is for information only.

## **ALTERNATIVES FOR ACTION**

No action necessary.

## **PROCEDURES**

This item has been placed on the agenda for information as part of San Diego LAFCO's business calendar. The following procedures, accordingly, are recommended.

- 1) Receive verbal report from staff unless waived.
- 2) Commission discussion.
- 3) Provide direction to staff for additional work/analysis as needed.

On behalf of staff,

*Ed Sprague*

Ed Sprague  
Local Government Consultant