



FRESNO COUNTY FIRE

PROTECTION DISTRICT

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MEMORANDUM

Date: August 13, 2020

To: Board of Directors

Attn: Mike Del Puppo, President

CC: Mark A. Johnson, Fire Chief

From: William D. Ross, District Counsel

Subject: Proposition 19, Property Tax Transfers Exemptions and Revenue for Wildfire Agencies and Counties; November 3, 2020 Ballot

This memorandum summarizes a November 2020 Ballot Measure “California Proposition 19 Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies” an initiative measure which would amend Proposition 13-Article XIII A of the State Constitution and its potential financial impact on the Fresno County Fire Protection District (“District”).

A summary of what a “yes” vote on Proposition 19 would do and what would a “no” vote would do and how the measure would substantially change Article XIII is attached as Exhibit “A.”¹

Attached as Exhibit “B” is the actual language of Proposition 19, which was enacted as Assembly Constitutional Amendment (“ACA”) No. 11 during July 2020 by the Legislature. The Amendment contains three (3) sections amending Proposition 13.

Section 2.1 (ACA 11, p 4) sets forth both the “portability” and “transferability” sections for eligible homeowners and how acquisition or sale of property would be affected.

Section 2.2 (ACA 11, pp 9-12) establishes that from the State revenue generated from Section 2.1, seventy-five (75%) percent of that amount would be transferred by the State

¹ Note: Property transfer (sales) by eligible voters over the long term would increase the property tax roll value and resulting property tax revenue to all local agencies, according to the Legislative Analyst’s Office (“LAO”). See, August 23, 2009 LAO communication to the Honorable Xavier Becerra.

Controller to the California Fire Response Fund and fifteen (15%) percent of that amount to the County Revenue Protection Fund for allocation by the Legislature.

With respect to the California Fire Response Fund, *the Legislature shall allocate that amount* (20%) to the State Department of Forestry and Fire Protection, and (80%) to the Special District Fire Response Fund (“SDFRF”) (80%) (ACA 11, pp 11-2).

The SDFRF would be divided in three (3) ways to Special Districts.

Fifty (50%) percent of the SDFRF shall be used to fund fire suppression staffing in underfunded fire protection districts which were formed after July 1, 1978 and employ full-time personnel immediately available for response.

Twenty-five (25%) percent would be used to fund fire suppression staffing in Districts formed before July 1, 1978, that are underfunded due to a disproportionately low share of property tax revenue.

Another twenty-five (25%) percent of the SDFRF amount would be used to fund Fire Suppression in under-funded Special Districts whose personnel are immediately available on a fixed percentage to an initial full alarm assignment.

For *all three categories of the SDFRF*, there are further qualification factors that include the inadequacy of funding received measured against population density, size of the service area, number of taxpayers within the district, whether the Fire District received an adequate share of the one (1%) percent under AB 8 in 1979 and geographic diversity. (ACA 11, p 11).

It is respectfully suggested that the District could qualify under the methods of determining a direct allocation from the Legislature, should Proposition 19 pass.

Section 2.3 (ACA 11, pp 12-13) would amend Proposition 13 to provide for “equalization” of property taxes generated on a County wide basis with the funds allocated to the County Revenue Protection Fund. This means if there are more transferred properties than there are received properties in a particular tax rate area, then the County Board of Supervisors can equalize the distribution of the increased property taxes generated between affected tax rate areas.

After review, it is recommended that your Board consider endorsing Proposition 19 with an analysis as to the benefits of a “yes” vote and the effects of a “no” vote on District Fire Services consistent with the requirements of *Stanson v. Mott* (1976) 17 Cal.3d 206, 221; *Vargas v. City of Salinas* (2009) 46 Cal.4th 1, 40.

Enclosures Exhibit “A”
 Exhibit “B”