

JOINT RESOLUTION AND AGREEMENT BETWEEN  
THE COUNTY OF LASSEN AND THE CITY OF SUSANVILLE

THIS JOINT RESOLUTION AND AGREEMENT ("Agreement") is made and entered into by and between the CITY OF SUSANVILLE ("SUSANVILLE") and the COUNTY OF LASSEN ("LASSEN") as of February 21, 2018 (the "Effective Date").

RECITALS

Whereas, the State of California, pursuant to the Bradley-Burns Uniform Sales and Use Tax Law, imposes a basic statewide tax ("Basic Tax") of 7.25% on all qualifying transactions; and

Whereas, of the 7.25% collected, 6.0% remains with the State of California, 0.25% is distributed to the Local Transportation Fund, and the remaining 1.0% (hereafter referred to as the "Local Revenue") is distributed to the local agency within which the point of sale occurred (sales occurring in the unincorporated territory of a county go to the county; likewise, sales occurring in a city go to the city); and

Whereas, California Government Code Sections 55700 to 55707 and Section 29 of Article XIII of the California Constitution authorizes counties and cities to enter into agreements to apportion between them this Local Revenue as those entities deem just and fair; and

Whereas, section 55704.5 of the California Government Code provides that a revenue sharing agreement must be proposed in a resolution of the governing body of each jurisdiction, and such resolution must be approved by two-thirds (2/3's) vote of each governing body (4 affirmative votes in a body of 5); and

Whereas, LASSEN and SUSANVILLE already have an existing Memorandum of Understanding, dated October 23, 1991, setting forth and establishing a fair and equitable distribution of local taxes (including the Local Revenue) between LASSEN and SUSANVILLE (attached and incorporated by reference as Exhibit A); and

Whereas, by operation of law, and the agreement between the parties (Exhibit A), the monies each party has enjoyed as a result of apportionment of the Local Revenue, at least since July 1, 1993 to date, has been that LASSEN receives 100% of all of the Local Revenue for points of sale occurring in the unincorporated territory of the County of Lassen, LASSEN receives 5% of the Local Revenue for points of sale occurring in the incorporated territory of the City of Susanville, and SUSANVILLE receives 95% of the Local Revenue for points of sale occurring in the incorporated territory of the City of Susanville; and

Whereas, California law allows cities and counties, with voter approval, to impose additional taxes locally pursuant to the Transactions and Use Tax Law in increments of .125% to a maximum of 2.0% for the entire County (hereafter referred to as a "District Tax"); and

Whereas, LASSEN and SUSANVILLE now wish to restate, and add to, the existing agreement regarding distribution and sharing of the 1.0% Local Revenue.

## AGREEMENT

NOW, THEREFORE BE IT RESOLVED AND AGREED, BETWEEN SUSANVILLE and LASSEN as follows:

1. Recitals. All the above recitals are true and correct; and
2. Agreement. This agreement relates only to sharing of the Local Revenue between LASSEN and SUSANVILLE. This agreement does not relate to or affect any other revenue source (or liability) between the parties. This agreement supersedes the agreement between the parties of October 23, 1991 as it relates to Local Revenue sharing only.
3. Allocation: The 1% Local Revenue, as a part of the 7.25% Basic Tax, imposed pursuant to the Bradley-Burns Uniform Sales and Use Tax Law, shall be distributed and apportioned between SUSANVILLE and LASSEN as follows:
  - a. LASSEN is presenting to the voters in the June 5, 2018 statewide primary election a District Tax of .75%. In the event this District Tax is adopted, LASSEN will be entitled to and receive 7.46% of the 1% Local Revenue and SUSANVILLE will be entitled to and receive 92.54% of the 1% Local Revenue. For purposes of this subsection (3.a), the 1% Local Revenue includes the aggregate of all qualifying sales that occur within the County of Lassen including within the City of Susanville. The Local Revenue shall begin to be apportioned, pursuant to this agreement, at the same time as the District Tax becomes operative within the meaning of the ordinance enacting it, and shall continue as long as the District Tax remains in effect, and is being collected and distributed to LASSEN, or this agreement is terminated, pursuant to its terms. If at any time the District Tax is repealed, stayed by order of any court, or is no longer being collected and distributed to LASSEN for any reason, apportionment pursuant to this subsection (3.a) shall cease and apportionment shall revert to that set forth in subsection 3.b of this agreement, set out below.
  - b. In the event the District Tax proposed for the June 5, 2018 primary election is not adopted, LASSEN will receive 100% of the Local Tax for qualifying sales that occur within the unincorporated territory of the County of Lassen, 5% of the Local Tax for qualifying sales that occur within the incorporated City of Susanville, and SUSANVILLE will receive 95% of the Local Tax for qualifying sales that occur within the incorporated City of Susanville.
4. Term. This agreement shall be for a period of five years from Effective Date. The term of this agreement shall extend automatically for another five year period, and continuing five year periods thereafter (evergreen), unless terminated pursuant to the provisions related to termination set out below.
5. Termination. This agreement may be terminated unilaterally, by either party, by Resolution, adopted by a four-fifths vote of the respective governing body, and only within the 90 days preceding the five-year renewal date. Renewal date is calculated in five-year increments from Effective Date stated above (February 21, 2018). This agreement may also be terminated by mutual

agreement of the parties in the form of a joint resolution adopted by a simple majority of both governing bodies.

The foregoing Resolution and Agreement was adopted by a two-thirds vote at a regular meeting of the Board of Supervisors of the County of Lassen, State of California, held on the 20<sup>th</sup> day of February, 2018, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
CHRIS GALLAGHER, Chairman  
Lassen County Board of Supervisors

ATTEST:

JULIE BUSTAMANTE  
Clerk of the Board

BY: \_\_\_\_\_

Michele Yderraga, Deputy Clerk of the Board

I, Michele Yderraga, Deputy Clerk of the Board of the Board of Supervisors, County of Lassen, do hereby certify that the foregoing resolution and Agreement was adopted, by two-thirds vote, by the said Board of Supervisors at a regular meeting thereof held on the 20th day of February, 2018.

\_\_\_\_\_  
Deputy Clerk of the County of Lassen  
Board of Supervisors

The foregoing Resolution and Agreement was adopted by a two-thirds vote at a regular meeting of the City Council for the City of Susanville, State of California, held on the 21st day of February, 2018, by the following vote:

AYES: \_\_\_\_\_

NOES: \_\_\_\_\_

ABSTAIN: \_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_  
KATHIE GARNIER, MAYOR  
City of Susanville

ATTEST:

Gwenna MacDonald  
City Clerk

I, Gwenna MacDonald, City Clerk for the City of Susanville, do hereby certify that the foregoing Resolution and Agreement was adopted, by two-thirds vote, by the said City Council for the City of Susanville at a regular meeting thereof held on the 21st day of February, 2018.

\_\_\_\_\_  
Gwenna MacDonald  
City Clerk, City of Susanville

## MEMORANDUM OF UNDERSTANDING BETWEEN THE COUNTY OF LASSEN AND THE CITY OF SUSANVILLE

- 1) This Memorandum of Understanding (MOU) between the County of Lassen (County) and the City of Susanville (City) is set forth to establish a fair and equitable distribution of local taxes between the County and City.
- 2) The purpose of this MOU is to assure timely economic development and environmentally sound land use planning. It is essential that the County and City share in the growth of the area, as well as share in the problems that are associated with that growth.
- 3) Prior to the passage of Proposition 13 the County and the City had the opportunity to collect sufficient revenues to meet the costs of providing basic services. Since 1978 the State Legislature has passed a series of laws that temporarily rearranged the funding arrangements between Counties, Cities and Schools. The result of these arrangements have been the removal of the County from certain tax pools, and enhancing others share of the County's property tax pool.
- 4) The City recognizes that the primary local funding for the County is from the Property Tax Pool, even though the City is presently receives 3.9825% in the current AB8 formula, which provides them a share of the growth that takes place throughout the County.
- 5) The County recognizes that the primary local funding for the City is from the Sales Tax Pool, which until state legislation after Proposition 13 the County received 10% of the City's pool.
- 6) The City will allow the County to begin to share again in it's Sales Tax Pool, beginning on January 1, 1992 with a 1% allocation. On July 1, 1992 that allocation will increase to 3% and on July 1, 1993 that allocation will be set at 5% and remain permanently in place.
- 7) The City agrees that after July 1, 1993, if the State Legislature has not addressed the local government funding issue, to adequately provide for local government service, then it will honor the County's request to further negotiate the County's share of the Sales Tax revenue to a maximum level of 10%. If the State Legislature resolves the local funding issue, then the County will waive any future claim to the remaining 5% it was receiving prior to Proposition 13.
- 8) The County will agree to support the City in the annexation of territory defined within the Sphere of Influence and its Annexation Plan filed with the Local Agency Formation Commission (LAFCo), if consistent with State Law and Lafco policy. It is not the intent of the City to encourage leap-frog growth or to create Islands by its annexation program.
- 9) It is the fundamental principle of this MOU that the development fees associated with the growth and development of this area may be collected by either agency, but that the agency that will ultimately be responsible for providing the service in which the development fees are intended will be the recipient of these fees. The County is willing to collect City development fees and pass them on to the City. The City is willing to collect County development fees and pass them on to the County. It is understood that neither the City nor the County should "profit" at the expense of the other agency by assessing administrative charges in the collecting of these fees.
- 10) The County and the City agree to work jointly for state legislation and appropriations that would mutually improve the fiscal condition of the City and County, such as stabilized local financing, prison expansion and economic development. The City and County recognize that the contracting,

EXHIBIT A p1

consolidation and/or merger of compatible operations could improve efficiency and effectiveness, providing an overall savings to the taxpayer.

■ 11) The County shall dismiss its appeal of the following legal action: City of Susanville v. County of Lassen, Lassen County No. 21572, Appellate No. 3 Civil 010965 and the City will dismiss said suit.

■ 12) This MOU will remain in effect through the 1993-94 Fiscal Year, ending on June 30, 1994. After July 1, 1993 it is the intent of both parties to revisit the issues set forth in this MOU to coincide with the reconsideration of other agreements, such as the distribution of the prison annexation subvention funding for the Susanville branch of the Lassen County Library system.

Dated: October 23, 1991.

APPROVED: \_\_\_\_\_

John L. McCann, Jr.  
Mayor

ATTEST: \_\_\_\_\_

Mary A. Eahlen, CMC  
City Clerk

The foregoing Memorandum of Understanding was adopted at a regular adjourned meeting of the City Council of the City of Susanville, held on the 23rd day of October, 1991, by the following vote:

AYES: Tripp, Middleton, Callegari, Foster and McCann

NOES: None

ABSENT: None

ABSTAIN: None

Mary A. Eahlen, CMC  
City Clerk

APPROVED AS TO FORM: \_\_\_\_\_

Kathleen Lazard, City Auditor

The foregoing Memorandum of Understanding was adopted at a regular meeting of the Board of Supervisors, County of Lassen, State of California held on the 22nd day of October, 1991, by the following vote:

AYES: Chapman, Lough, Loubet, deMartimprey and Lemke

NOES: None

ABSENT: None

ABSTAIN: None

GARY H. LEMKE, Chairman  
Board of Supervisors

ATTEST: \_\_\_\_\_

Theresa Nagel, County Clerk and  
ex-Officio Clerk of the Board of Supervisors

APPROVED AS TO FORM: \_\_\_\_\_

Dawson Arnold, County Counsel

EXHIBIT A p1