

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 March \_\_, 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 (the "Existing Agreement", attached and incorporated by reference as Exhibit A); and

Whereas, by operation of law, and the Existing Agreement, 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; and

Whereas, LASSEN is presenting to the voters at the June 5, 2018 statewide primary election a district tax of .75% (hereafter "District Tax"); and

Whereas, LASSEN and SUSANVILLE now wish to supplement 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 supplements the Existing Agreement between the parties as it relates to Local Revenue sharing only. In consideration for LASSEN's approval and implementation of this Agreement, SUSANVILLE agrees not to place a district tax measure on the June 5, 2018 statewide primary election ballot, including without limitation, the district tax measure SUSANVILLE introduced at its February 21, 2018 City Council meeting.
3. Allocation of Local Revenue. In the event the District Tax is adopted, 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 apportioned between SUSANVILLE and LASSEN as follows:
  - a. SUSANVILLE shall: i) continue to receive ninety-five percent (95%) of the Local Revenue collected from within the incorporated City of Susanville in accordance with the Existing Agreement, plus ii) receive from LASSEN, in accordance with Section 4 of this Agreement, an amount equal to forty-five percent (45%) of the District Tax collected in all parts of the County of Lassen, including within the City of Susanville.
  - b. LASSEN shall: i) continue to receive 100% of the Local Revenue collected from within the unincorporated portion of Lassen County and five percent (5%) of the Local Revenue collected from within the incorporated City of Susanville in accordance with the Existing Agreement, plus ii) an amount equal to fifty-five percent (55%) of the District Tax collected in all parts of the County of Lassen, including within the incorporated City of Susanville.
  - c. The parties intend that SUSANVILLE shall receive revenue pursuant to the allocations set forth in Subsections 3.a and 3.b, respectively. This allocation formula is subject, however, to the following limitation and reopeners:

- i. At no time during the existence of this agreement shall the amount distributed by LASSEN to SUSANVILLE exceed 100% of the total Local Revenue received by LASSEN.
    - ii. It is the expectation of the parties that each party will receive revenue in accordance with the allocation method described in Subsections 3.a and 3.b. If for any reason the actual revenue received by either party differs by more than ten percent (10%) (over a three year rolling average) from that allocation, including but not limited to a difference that results from application of the limitation set forth in Subsection 3.c.i, then the parties will reopen negotiations for the purpose of modifying this Agreement so that the intended revenue share is achieved.
    - iii. The Parties further agree to re-negotiate the allocation of Local Revenue under this Agreement in the event that the State of California implements a change to the Basic Tax that affects the amount or allocation of Local Revenue to either or both of the Parties.
    - iv. In the event renegotiation is triggered under either Subsections 3.c.ii or iii, both parties agree to negotiation diligently and in good faith to reach agreement on modifications to this Agreement. During such negotiations the allocation formula set forth in Subsections 3.a and b will remain in effect, unless and until the Agreement is terminated in accordance with Section 6.
  - d. 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 Subsections 3.a, b and c shall cease and apportionment shall revert to that set forth in Exhibit A to this Agreement.
4. Distribution of Local Revenue. To effectuate the purposes of this Agreement in accordance with state and local law, as well as the regulations governing the administration of Local Revenue by the California Department of Tax and Fee Administration (“CDTFA”), the Parties agree to disburse Local Revenue in the following manner:
- a. Immediately upon execution by the Parties, a copy of this Agreement shall be transmitted to the LASSEN County Auditor and to the SUSANVILLE Director of Finance.

- b. Thereafter, upon the receipt of Local Revenue transmitted by the California Department of Tax and Fee Administration pursuant to Section 7204 of the Revenue and Taxation Code, the LASSEN County Auditor shall distribute to SUSANVILLE, from Local Revenue, the amount described in Section 3 within forty-five (45) calendar days of receipt.
- 5. Modification. No modification of this Agreement shall become effective unless made in writing and ratified by a two-thirds vote of both the Board of Supervisors of the County of Lassen and the City Council of the City of Susanville.
- 6. Termination; Effect of Termination.
  - a. Except as otherwise provided in Section 3.d, this Agreement may be terminated by mutual agreement of the parties in the form of a joint resolution adopted by a two-thirds vote of both the Board of Supervisors of the County of Lassen and the City Council of the City of Susanville.
  - b. In the event this Agreement terminates, the terms of the Exhibit A shall remain again become operative with respect to those provisions of Exhibit A that are superseded by this Agreement while this Agreement is in effect.

The foregoing Resolution and Agreement was adopted by a two-thirds vote at a special meeting of the Board of Supervisors of the County of Lassen, State of California, held on the 6th day of March, 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 special meeting thereof held on the 6th day of March, 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 special meeting of the City Council for the City of Susanville, State of California, held on the 5th day of March, 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 special meeting thereof held on the 5th day of March, 2018.

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