

**RESOLUTION NO. 22-138**

**RESOLUTION OF THE HUMBOLDT COUNTY BOARD OF SUPERVISORS AUTHORIZING A SECURED PROPERTY TAX REVENUE EXCHANGE BETWEEN THE COUNTY OF HUMBOLDT AND THE PROPOSED SALMON CREEK FIRE PROTECTION DISTRICT**

**WHEREAS**, on June 6, 1978, the voters of the State of California amended the California Constitution by adding Article XIII A thereto which limited the total amount of property taxes which could be levied on real property by local taxing agencies to one percent (1%) of full cash value; and

**WHEREAS**, following such constitutional amendment, the California Legislature added Section 99 to the California Revenue and Taxation Code which requires an exchange of property tax revenues when a jurisdictional change alters the service responsibilities of one (1) or more local agencies; and

**WHEREAS**, on April 9, 2019, the Humboldt County Board of Supervisors ("Board") adopted a group of strategies and expectations to enable local fire districts to utilize property tax exchange agreements with Humboldt County {"COUNTY"} in support of annexation/ formation/ consolidation and a commitment to service delivery in areas outside current district boundaries that included five (5) standardized Tax Exchange Agreement Offers with specific expectations that must be achieved to qualify for a tax exchange offer; and

**WHEREAS**, the Salmon Creek Volunteer Fire Department ("SCVFD") circulated a petition to form a fire protection district that was signed by 35 percent of the registered voters within the proposed formation area and submitted an application to the Local Agency Formation Commission(LAFCO), to take proceedings for the Formation of the Salmon Creek Fire Protection District with a boundary of approximately twenty thousand five hundred (20,500) acres of real property representing SCVFD's historic response area; and

**WHEREAS**, LAFCO considered the district formation proposal as part of a noticed public hearing on July 20, 2022, and approved the proposal and called a public protest hearing on September 10, 2022, to allow property owners and registered voters to submit written protest where insufficient protest was received, and will adopt a resolution to order the change of organization subject to a two-thirds majority vote in favor of the proposed special tax; and

**WHEREAS**, if the Formation of the Salmon Creek Fire Protection District is approved by the voters, COUNTY will continue to retain all of its service responsibilities in the annexed area despite the jurisdictional change; and

**WHEREAS**, the Board received a Fire District Formation Property Tax Exchange Proposal from SCVFD that has been deemed by the County Administrative Officer to meet all of the expectations and commitments outlined in Tax Exchange Agreement Offer 5 of the Board adopted strategies and expectations; and

**WHEREAS**, consistent with Tax Exchange Agreement Offer 5, SCVFD elected to make approval of a new special tax by the registered voters within the proposed district formation area to support and improve fire protection services and administration, a condition of annexation approval; and

**WHEREAS**, the SCVFD Fire District Formation Property Tax Exchange Proposal enumerates a comprehensive list of actions to achieve its commitments to: (1) work in good faith toward establishing the most efficient, effective, and sustainable fire and rescue service delivery system possible; (2) work to achieve retention/recruitment, and organizational and operational (responding together/interoperability)



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improvements, and commit to making administrative improvements; and (3) develop countywide level of service standards, and

**WHEREAS**, as part of the Avenue of the Giants Cooperative working group, the SCVFD met for several years between 2016 and 2018 to works towards a broader fire reorganization to support service sustainability and redundancy, and although the discussions regarding funding alternatives, operational consolidation, and merger options were very productive, there was no consensus to initiate a reorganization and the efforts were abandoned. SCVFD has made several attempts in the last two years re-initiate discussion with the Avenue of the Giants fire departments, there is still no interest in a broader reorganization. The SCVFD remains interested in exploring a broader reorganization and the establishment of the Salmon Creek FPD would not preclude future reorganizations that may include consolidation; and

**WHEREAS**, SCVFD is not a local agency eligible to participate in a property tax exchange agreement; and

**WHEREAS**, the proposed District Formation Area is located entirely within Tax Rate Area (TRA) 156-001 and the Humboldt County General Fund tax allocation factor within this is TRA is FORTY ONE POINT EIGHT SIX FIVE SIX percent (41.8656%), and

**WHEREAS**, pursuant to Government Code Section 56810(1)(2), LAFCO determines the amount of property tax to be exchanged by the affected local agency, and the program approved by the BOARD on April 9, 2019, establishing Tax Exchange Agreement Offer 5, shall control the property tax exchange determination by LAFCO relating to the formation of the Salmon Creek Fire Protection District.

**NOW, THEREFORE, THE HUMBOLDT COUNTY BOARD OF SUPERVISORS HEREBY RESOLVES AS FOLLOWS:**

1. Both COUNTY and SCVFD, as the proponents for the formation of the Salmon Creek Fire Protection District, agree that Tax Exchange Agreement Offer 5, as adopted by the Board on April 9, 2019, represents an appropriate approach to the sharing of real property ad valorem taxes imposed and collected as authorized by Section 99(d) of the California Revenue and Taxation Code in order to encourage fire suppression services.
2. That the proposal to form a fire protection district that matches the response area of the SCVFD and includes the establishment of a new special tax to support fire protection services, as specified in Humboldt LAFCO Agenda Item 7A for the meeting of July 20, 2022, in combination with the Salmon Creek Fire Protection District Formation Tax Exchange Sharing Agreement Proposal for Tax Exchange Agreement Offer 5, satisfy the expectations for Tax Exchange Agreement Offer 5, adopted by the Board on April 9, 2019.
3. That the Board of Supervisors agrees to transfer to the new Salmon Creek Fire Protection District three percent (3.0%) of the Secured Property Tax Revenue attributable only to the change in base value (i.e., property tax growth), using property taxes collected in the applicable District Formation Area during fiscal year 2024-2025 as the anticipated base year from which to calculate the change in base value, and each year thereafter.
4. COUNTY shall receive all of the Secured Property Tax Revenue remaining after the allocation of DISTRICT's share as set forth herein to be allocated to the Humboldt County General Fund.

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5. That this transfer of Secured Property Tax Revenue shall only occur if all of the following occur:
- a. The registered voters of the proposed Salmon Creek Fire Protection District approve the proposed special tax, as defined in the application;
  - b. The formation of the Salmon Creek Fire Protection District is certified by LAFCO; and
  - c. A tax exchange agreement is executed by and between the County of Humboldt and the Salmon Creek Fire Protection District.

Adopted on motion by Supervisor Wilson, Seconded by Supervisor Bushnell, and the following vote:

Dated: November 8, 2022

  
\_\_\_\_\_  
Virginia Bass, Chair  
Humboldt County Board of Supervisors

Adopted on motion by Supervisor Bushnell, Seconded by Supervisor Bohn, and the following vote:

AYES: Supervisors: Bohn, Wilson, Madrone, Bass, Bushnell  
NOES: Supervisors:  
ABSENT: Supervisors:

STATE OF CALIFORNIA))

SS.

County of Humboldt

I, Kathy Hayes, Clerk of the Board of Supervisors of the County of Humboldt, State of California do hereby certify the foregoing to be a full, true, and correct copy of the original made in the above-titled matter by said Board of Supervisors at a meeting held in Eureka, California as the same now appears of record in my office.  
In Witness Whereof, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.


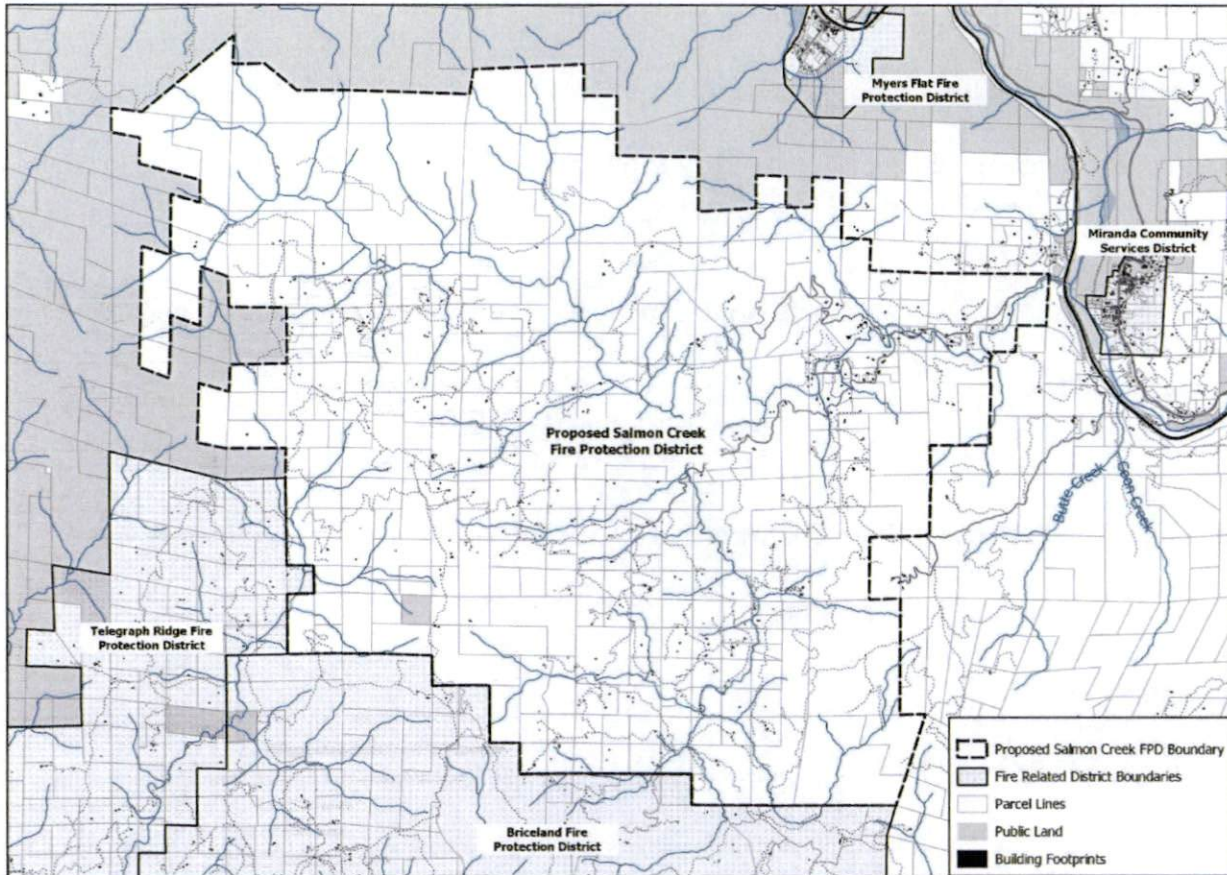
  
\_\_\_\_\_  
NIKKI TURNER  
Deputy Clerk of the Board of Supervisors of the  
County of Humboldt, State of California



Exhibit A – Proposed Salmon Creek Fire Protection District Description



General Description of the Proposed Salmon Creek District Formation Area. The proposed district formation area totals approximately 20,500 acres and includes:

The following Sections within Township 2 south, Range 2 east, Humboldt Base and Meridian:

- all of Sections 33, 34, and 35; and
- those portions of Sections 25, 26, 27, 28, 29, 32, and 36 not within the boundaries of Humboldt Redwoods State Park.

The following Sections within Township 2 south, Range 3 east, Humboldt Base and Meridian:

- that portion of Section 31 not within the boundaries of Humboldt Redwoods State Park;
- the west half of the south west  $\frac{1}{4}$  of Section 32.

The following Sections within Township 3 south, Range 2 east, Humboldt Base and Meridian:

- all of Sections 1, 2, 3, 10, 11, 12, 13, 14, 15, and 24;
- those portions of Sections 4, 5, 8, and 9 that are not the property of the United States of America;
- the northeast  $\frac{1}{4}$  and the south east  $\frac{1}{4}$  of Section 16, excepting therefrom the south west  $\frac{1}{4}$  of the south east  $\frac{1}{4}$  ;
- the northeast  $\frac{1}{4}$  of Section 21;
- the north  $\frac{1}{2}$  and the northeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$  of Section 22;
- Section 23, excepting therefrom the southwest  $\frac{1}{4}$  of the southwest  $\frac{1}{4}$ ;
- the northeast  $\frac{1}{4}$  and the northeast  $\frac{1}{4}$  of the northeast  $\frac{1}{4}$  of Section 26; and,

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- the north  $\frac{1}{2}$  of Section 25

The following Sections within Township 3 south, Range 3 east:

- all of Sections 6, 7, 8, 18, and 19, and;
- Section 4, excepting therefrom the north  $\frac{1}{2}$  of the north  $\frac{1}{2}$  and the southeast  $\frac{1}{4}$  of the southeast  $\frac{1}{4}$ ;
- Section 5, excepting therefrom the north  $\frac{1}{2}$  of the northeast  $\frac{1}{4}$ ;
- Section 9, excepting therefrom the east  $\frac{1}{2}$  and the south  $\frac{1}{2}$  of the southwest  $\frac{1}{4}$ ;
- Section 17, excepting therefrom the southeast  $\frac{1}{4}$ ;
- Section 20, excepting therefrom the east  $\frac{1}{2}$  of the east  $\frac{1}{2}$ ;
- Section 29, excepting therefrom the south  $\frac{1}{2}$  of the south  $\frac{1}{2}$ ; and,
- Section 30, excepting therefrom, excepting therefrom the south  $\frac{1}{2}$  of the south  $\frac{1}{2}$ .