



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 4/5/2016
Agenda Placement: 11A

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Lawrance Florin - Director
Housing and Intergovernmental Affairs
REPORT BY: Michael Karath, STAFF ASSISTANT - BOS - 299-1477
SUBJECT: SB 1118 (McGuire) State Payment In Lieu of Taxes (PILT)

RECOMMENDATION

Director of Housing and Intergovernmental Affairs requests approval of and authorization for the Chairman to communicate to the Legislature and pertinent parties support for SB 1118 (McGuire), a bill that will require the state to make annual payments in lieu of taxes to counties, including Napa County, in which state wildlife management areas are located.

EXECUTIVE SUMMARY

Currently, State law "authorizes" the State Department of Fish and Wildlife (DFW) to make payments in lieu of taxes (PILT) to counties in which state wildlife management areas are located. This revenue is intended to make up for lost property taxes that would be paid if the land was privately owned. Because the law "authorizes" these payments, there is no guarantee that these payments will be made.

DFW currently owes nearly \$8 million in State PILT to California's State PILT counties, including Napa County.

SB 1118 will make these annual payments required.

PROCEDURAL REQUIREMENTS

1. Staff reports.
2. Public comments.
3. Motion, second, discussion and vote on the item.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

California payment in lieu of taxes (PILT) were established in 1949 to offset adverse impacts to county property tax revenues that result when the State acquires private property for wildlife management areas.

State PILT helps small and rural counties fund a variety of programs and services that benefit county residents.

Despite the previous requirement in statute that the DFW is "authorized" to make PILT payments annually to the impacted counties, including Napa County, they have failed to do so until last year. Currently, the Department of Fish and Wildlife (DFW) owes nearly \$8 million in State PILT to California's PILT counties in which state wildlife areas are located. In 2015, the final State budget package included language in the Fish and Game Code that changed "shall" to "may" concerning future State DFW PILT payments to counties, including Napa County.

SB 1118 will change the language to make these annual DFW payments required. This will ensure that counties are not deprived of revenue they would have received had these properties had been kept in private hands.

The California State Association of Counties (CSAC) and Rural County Representatives of California (RCRC) support SB 1118.

SUPPORTING DOCUMENTS

A . SB 1118 State Payment in Lieu of Taxes (PILT)

CEO Recommendation: Approve

Reviewed By: Molly Rattigan