



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

May 16, 2017

The Honorable Lorena S. Gonzalez Fletcher
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

RE: Assembly Bill 653 (Ridley-Thomas) – OPPOSE

Dear Assembly Member Gonzalez Fletcher:

On behalf of the Rural County Representatives of California (RCRC), I write to respectfully inform you of our opposition to Assembly Bill 653, authored by Assembly Member Sebastian Ridley-Thomas, which would exempt from taxation property owned in fee by a federally-recognized Native American tribe.

RCRC is an association of thirty-five rural California counties, and the RCRC Board of Directors is comprised of elected supervisors from each of those member counties. Members of Boards of Supervisors, in conjunction with the County Assessor, the Treasurer-Tax Collector and the County Auditor, are responsible for the fiscal management of the county treasury. Local property taxes are a key component of a county's revenue stream.

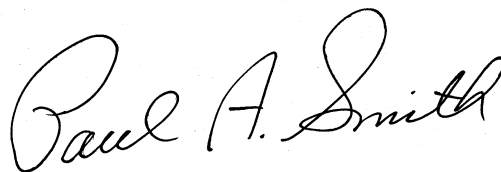
The California Constitution states that all property is taxable unless exempted by the California Constitution or by federal law. Existing law requires the State to reimburse local agencies for certain property tax revenues lost as a result of any exemption of property for purposes of ad valorem property taxation. We believe AB 653 would reduce the amount of property tax revenues to the county and other local jurisdictions as well as obligate the State to assist school districts under the Proposition 98 guarantee. Because it is difficult to ascertain the amount of land Native American tribes possess in fee, it is difficult to estimate the revenue loss. And while we understand the bill is aimed at properties held in fee that are to be converted into trust, there are no requirements for tribes to ensure that these lands are "trust eligible" nor is there any mechanism for satisfying property tax obligations if the Bureau of Indian Affairs denies a request for fee-to-trust applications.

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As mentioned, counties rely on property tax for their primary source of funding for county services, many of which are mandated by the State. Since so much of rural California is already under the control of the federal government (Bureau of Land Management, U.S. Forest Service, etc.), counties are concerned about an additional category of property that would be subject to a property tax exemption.

For the reasons stated, RCRC respectfully requests your 'No' vote on AB 653, when it is heard before your Committee.

Sincerely,

A handwritten signature in black ink that reads "Paul A. Smith". The signature is written in a cursive, flowing style.

PAUL A. SMITH
Vice President Governmental Affairs

cc: The Honorable Sebastian Ridley-Thomas, Member of the State Assembly
Members of the Assembly Appropriations Committee