

PROPOSED AMENDMENT TO

KNEELAND FIRE PROTECTION DISTRICT SPECIAL TAX ORDINANCE

The Kneeland Fire Protection proposes to amend certain provisions of the Special Tax Ordinance (Ordinance No. 2024-05_1) which was approved by the qualified voters of the District at the November 2024 election. The amendments are minor in nature and do not alter or otherwise affect the special tax rates. The proposed Ordinance would make the following amendments to the Special Tax Ordinance:

1. The proposed Ordinance resolves a clerical omission involving the reference to Attachment C of the Special Tax Ordinance.
2. The Proposed Ordinance clarifies the reference to the Consumer Price Index to be used for discretionary inflation adjustments.
3. The Proposed Ordinance requires certain special accounting and reporting obligations for tax revenues.

ORDINANCE NO. 2025-4_1

AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE KNEELAND FIRE PROTECTION DISTRICT AMENDING ORDINANCE NO 2024-05 1 AND DETERMINING THIS ORDINANCE TO BE EXEMPT FROM CEQA

WHEREAS, the Kneeland Fire Protection District (“District”) is a duly formed and operating fire protection district under the Fire Protection District Law of 1987 (California Health and Safety Code section 13800 et seq.); and

WHEREAS, pursuant to the authority granted by the California Government Code and Article XIIIa of the California Constitution, the qualified electors of the District approved and caused to be adopted Ordinance No. 2024-05 1 (the “Special Tax Ordinance”), an ordinance levying a special tax to fund fire protection services, as more particularly detailed in the Special Tax Ordinance; and

WHEREAS, the special tax levied by the Special Tax Ordinance will be levied commencing with the 2025-206 Fiscal Year at rates set forth in Section 4 of the Special Tax Ordinance; and

WHEREAS, the Board of Directors (“Board”) of the District intends, by way of this Ordinance, to make limited amendments to the Special Tax Ordinance that do not result in an increase of the special tax rates or an extension of the time period in which the special tax may be collected, as set forth below; and

WHEREAS, the Board has considered the staff report, supporting documents, public comments, and all appropriate information that has been submitted with this Ordinance; and

WHEREAS, all legal prerequisites to the adoption of the Ordinance have occurred.

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE KNEELAND FIRE PROTECTION DISTRICT ORDAINS AS FOLLOWS:

SECTION 1. Recitals. The above recitals are each incorporated by reference and adopted as findings by the Board.

SECTION 2. CEQA. The Board finds, pursuant to the California Environment Quality Act (CEQA), Guidelines section 15378, that this Ordinance is not a Project as defined by CEQA. Furthermore, the Ordinance is exempt from CEQA pursuant to CEQA Guidelines section 15061(b)(3) as it is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Therefore, the adoption of this Ordinance is statutorily exempt from CEQA.

SECTION 3. Amendment to Special Tax Ordinance. Section 4 (Special Tax Rate) of the Special Tax Ordinance is hereby amended by inserting the letter “C” in the blank space following the word “ATTACHMENT” as follows:

“ATTACHMENT **C** to this Ordinance contains a listing of Assessor’s Use Codes, the applicable tax amounts that will be used as the guide for preparing the Kneeland FPD tax roll.”

SECTION 4. Amendment to Special Tax Ordinance. Section 6 (Annual Adjustment) of the Special Tax Ordinance is hereby amended by deleting the struck-through text shown below and adding the text shown in bold-underlined text:

In each subsequent year and as part of a duly noticed public hearing, the District Board may choose to adopt an inflation adjustment factor by resolution to increase the maximum special tax rate by an amount equal to the annual change, if any, in the **CPI, as defined in Section 2 of this Ordinance** ~~Consumer Price Index of the San Francisco-Oakland-San Jose area~~, up to a maximum increase of three (3.0) percent. An inflationary adjustment may be applied annually to account for the inflation-related increases in the cost of providing fire services. This factor is the maximum that the special tax could be raised in a fiscal year. The District Board can adopt a lower adjustment factor or forgo the adjustment at the Board’s discretion. ~~The specific index to be used is published by the California Department of Finance, Economic Indicators, CPI—California Monthly (All Items): from 1965, readily available on the web at <https://dof.ca.gov/forecasting/economics/inflation/>.~~

In adjusting the special tax imposed as specified in Section 4 of this Ordinance, the Kneeland FPD Board of Directors shall make findings indicating that costs have risen in the previous fiscal year(s) due to the effects of inflation and that the Kneeland FPD will not be able to ensure that the same level of service will be available to people and property within the District without applying the annual adjustment approved by the voters. The

adjusted amount shall be rounded down to the nearest even amount so that the total tax amount is divisible by two and can be placed on the first and second installment of the property tax bill.

SECTION 5. Amendment to Special Tax Ordinance. Section 10 (Annual Report) of the Special Tax Ordinance is hereby amended by deleting the provision in its entirety and replacing the text with the following:

SECTION 10 Annual Report; Special Fund.

- (a) **Annual Report.** The District's Fire Chief shall cause to be filed an annual report with the Board no later than January 1, 2027, and at least once a year thereafter pursuant to Government Code § 50075.3. The report shall state: (a) the amount of special tax revenues collected and spent by the District in the previous fiscal year, (b) the status of any project or work authorized to be funded by the proceeds of this tax, and (c) the funds carried over from previous years and to be carried over in future years. Such report shall be available for inspection without charge to any property owner in the District. The District's Fire Chief shall annually arrange for an independent audit of the accounting for, and expenditure of, the proceeds of the tax.
- (b) **Annual Report to State Controller.** The District's Fire Chief shall also report annually within seven (7) months after the close of each fiscal year regarding the special tax to the State Controllers, as required by Government Code Section 12463.2, including the type and rate of parcel tax imposed; the number of parcels subject to the parcel tax; the number of parcels exempt from the parcel tax; the sunset date of the parcel tax, if any; the amount of revenue received from the parcel tax; and the manner in which the revenue received from the parcel tax is being used.
- (c) **Special Fund.** All funds collected from the tax imposed by this Ordinance shall be deposited into a separate fund in accordance with Government Code Section 50075 et seq. and shall be expended only for the purposes authorized by this Ordinance.

SECTION 6. Effective Date. This Ordinance shall become effective on the 31st day after its adoption by the District Board of Directors. The Clerk shall cause this Ordinance to be published in the manner required by Government Code section 36933.

SECTION 7. Severability; Purpose. If any provision of this Ordinance or its application to any person or circumstance is held to be invalid, such invalidity has no effect on the other provisions or applications of the Ordinance that can be given effect without the invalid provision or

application, and to this extent, the provisions of this resolution are severable. The Board declares that it would have adopted this Ordinance irrespective of the invalidity of any portion thereof. Furthermore, the Board finds and declares that nothing in this Ordinance is intended to effect an increase in the special tax rate or otherwise effect an extension of the special tax beyond what is permitted by the Special Tax Ordinance.

INTRODUCED and FIRST READING CONDUCTED at a regular meeting of the Board of Directors of the Kneeland Fire Protection District, on this 15th day of April, 2025 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

President of the Board

ATTEST:

Secretary of the Board

SECOND READING CONDUCTED, PASSED, and ADOPTED at a regular meeting of the Board of Directors of the Kneeland Fire Protection District, on this ____ day of _____, 2025 by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

President of the Board

ATTEST:

Secretary of the Board