



A Tradition of Stewardship
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Board of Supervisors

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Belia Ramos
Chairman

June 22, 2017

The Honorable Sebastian Ridley-Thomas
California State Capitol
P.O. Box 942849
Sacramento, CA 94249-0054

RE: OPPOSE — Assembly Bill 653 (Ridley-Thomas): Allowing Local Property Tax Exemption for Property Held in Fee by Federally-recognized Indian Tribes

Dear Assembly Member Ridley-Thomas:

On behalf of the Napa County Board of Supervisors, I write to respectfully inform you of our unanimous opposition to your bill, Assembly Bill (AB) 653, that would exempt taxation on property owned in fee by a federally-recognized Native American tribe.

Exempting tribal-owned properties from the local property tax prior to the exhaustion of appeals and a final decision from the Department of Interior to take the fee land into trust establishes a very bad precedent and disrupts the federal regulatory scheme governing fee-to-trust decisions. The local property tax is a key component of a county's revenue stream. AB 653 would decrease county revenues without any revenue mitigation at a time when counties are already encountering numerous challenges to fund health and human services programs, road repair and other infrastructure needs, as well as many state-mandated programs and services. 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.

The length of time to complete the fee-to-trust process varies, and it can take years if the acquisition creates controversy and litigation commences. For property located in California, according to the Board of Equalization's recent review of information provided by the Department of Interior for 86 completed fee to trust applications filed since 2001, it indicates: 36 were completed within a year or less; 39 between one and five years; and 11 between five and 13 years. A Chumash tribe purchase took the most time at 13 years.

Currently, there are 109 federally-recognized Indian tribes in California and 78 entities petitioning the federal government for recognition. According to a 2012 study published in the Pepperdine Law Review, the federal government, from 2001 to 2011, took an average of 958 acres of California land per year into trust for federally-recognized Indian tribes.

Brad Wagenknecht
District 1

Ryan Gregory
District 2

Diane Dillon
District 3

Alfredo Pedroza
District 4

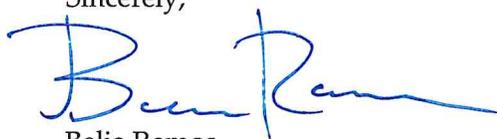
Belia Ramos
District 5

Based on such historical data, the revenue loss is potentially hundreds of thousands of dollars per year in local revenue loss throughout the state.

We believe that AB 653 would reduce the amount of property tax revenues to local jurisdictions as well as obligate the State to assist school districts under the Proposition 98 guarantee. It is difficult to estimate the full impact of the revenue loss because the amount of land Native American tribes possess in fee or might purchase as a result of this legislation is unknown. While the proposed legislation is aimed at properties held in fee, there is no mechanism to ensure that these lands are "trust eligible" nor is there any mechanism for satisfying past obligations if the Bureau of Indian Affairs denies a fee-to-trust application.

For these reasons, the Board unanimously opposes your bill, AB 653.

Sincerely,



Belia Ramos

Chair, Napa County Board of Supervisors

cc: Senator Bill Dodd
Assembly Member Cecilia Aguiar-Curry
Members, Napa County Board of Supervisors
Minh Tran, Napa County Interim Executive Officer
Paul Yoder/Karen Lange, Shaw/Yoder/Antwih
Rural County Representatives of California
California State Association of Counties