

ORDINANCE NO. 26

1
2 AN ORDINANCE OF THE MIDWAY CITY SANITARY
3 DISTRICT OF ORANGE COUNTY, CALIFORNIA,
4 IMPOSING SPECIAL USAGE FEES FOR SANITA-
5 TION SERVICES ON PROPERTIES ANNEXED TO
6 THE DISTRICT SUBSEQUENT TO JULY 28, 1981,
7 AND ELECTING TO COLLECT SUCH FEES ON THE
8 TAX ROLL.

9 WHEREAS, in the past, when the Midway City Sanitary Dis-
10 trict annexed real property to the District, said annexation would
11 result in the imposition of a property tax on said property which
12 would generate revenue needed by the District for the service of
13 such property; and

14 WHEREAS, certain recently enacted sections of the Cali-
15 fornia Revenue and Taxation Code require that, with respect to
16 annexations occurring subsequent to July 28, 1981, the Midway City
17 Sanitary District negotiate with the County of Orange and other
18 affected governmental agencies with respect to the exchange of a
19 portion of the annual property tax increment resulting from such
20 annexed property; and

21 WHEREAS, said statutes further require that, prior to an
22 annexation being finalized, resolutions must be submitted to the
23 Local Agency Formation Commission by the District, the County of
24 Orange and other affected governmental agencies containing an
25 agreement regarding the exchange of property tax revenues, or else
26 all annexation proceedings are terminated; and

27 WHEREAS, because the County of Orange has taken the pos-
28 ition that it will not share any portion of the property tax incre-
29 ment from such annexed property with the annexing District, the
30 Midway City Sanitary District, with respect to real property annex-
31 ed subsequent to July 28, 1981, will realize no property tax revenue
32 from such annexed properties; and

WHEREAS, the Midway City Sanitary District cannot afford
to provide indefinite continuous service to properties from which

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1 it is deriving no property tax revenue to defer the cost of pro-
2 viding that service, and the District declines to operate the Dis-
3 trict at a financial loss; and

4 WHEREAS, dependance upon a portion of the property tax or
5 the Special District Argumentation Fund to be allocated at the sole
6 discretion of the County of Orange is deemed by Midway City San-
7 itary District as an unreliable source of revenue for DISTRICT
8 operations and not in keeping with good planning and sound fiscal
9 practices; and

10 WHEREAS, a refusal by the Midway City Sanitary District
11 to annex property and provide service to properties outside the Dis-
12 trict boundaries will result in extreme hardship to owners of said
13 properties; and

14 WHEREAS, the Midway City Sanitary District is willing to
15 annex and provide service to properties outside the District if the
16 owners of said properties agree to pay a special user fee, in add-
17 ition to fees and charges required to be paid to the District prior
18 to connection with the District mains and fees and charges required
19 to be paid to the District by all users of its facilities, which
20 special user fee is set forth in a Special Usage Permit Agreement
21 and Restrictive Covenant executed by both the District and the own-
22 er of property proposed to be annexed; and

23 WHEREAS, since July 28, 1981, the Midway City Sanitary
24 District and owners of annexed properties have executed a number
25 of such Special Usage Permit Agreement and Restrictive Covenant
26 documents, which have been recorded with the County Recorder, and
27 the District has directly billed the property owners for the charges
28 imposed by said Agreements; and

29 WHEREAS, every property owner executing such Special
30 Usage Permit Agreement and Restrictive Covenant agrees that the
31 special user fee imposed therein may be collected on the tax roll
32 in the same manner, by the same persons, and at the same time as,

LEGAL OPINION
OF THE COUNTY CLERK
OF ORANGE COUNTY
CALIFORNIA
RECORDED
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1 together and not separately from, the general taxes of the Midway
2 City Sanitary District and the County of Orange;

3 THE BOARD OF DIRECTORS OF THE MIDWAY CITY SANITARY DIS-
4 TRICT, of Orange County, California, does hereby ordain as follows:

5 Section 1: Pursuant to the provisions of Health and
6 Safety Code §§ 5471 and 6520.5, the following special user fee is
7 hereby established for all property annexed to the Midway City
8 Sanitary District subsequent to July 28, 1981:

9 A. A fee which is equal to three percent (3%) of the
10 annual property tax increment from said property beginning with the
11 fiscal year in which the annexation of said property is approved
12 by resolution of the District's Board of Directors.

13 B. For the purpose of this Ordinance, the annual property
14 tax increment is defined as that amount by which the property tax on
15 said property has increased since the fiscal year immediately pre-
16 ceding the fiscal year during which the annexation of said property
17 was approved by resolution of the District's Board of Directors.

18 Section 2: Pursuant to the provisions of Health and
19 Safety Code §5473, the Board of Directors of the Midway City San-
20 itary District hereby elects to have said special user fees collect-
21 ed on the tax roll in the same manner, by the same persons, and at
22 the same time as, together with and not separately from, the gen-
23 eral taxes of the District and the County of Orange.

24 Section 3: Annually, the Manager of the Midway City
25 Sanitary District shall cause a written report to be prepared con-
26 taining a description of each parcel of property subject to said
27 special user fee, together with the amount of the special user fee
28 applicable thereto.

29 Section 4: Annually, the Secretary of the Board of Dir-
30 ectors shall cause appropriate notice of the filing of the report

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1 and of the time and place of a hearing thereon to be given in the
2 manner provided for in Health and Safety Code §5473.1.

3 ADOPTED, SIGNED AND APPROVED this 20th day of April
4 1983.

Bruce W. Linsayson
PRESIDENT

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8 ATTEST:

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10 *James V. Evans*
11 Secretary

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