

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

December 16, 2025

FROM

LUTHER SNOKE, Chief Executive Officer, County Administrative Office

SUBJECT

Amendment to Property Tax Sharing Agreement with the City of Chino Hills

RECOMMENDATION(S)

Approve **Amendment No. 3 to Agreement No. 2000-77** with the City of Chino Hills to update the definition of eligible commercial and industrial properties, which will increase the number of properties used in the property tax sharing calculation, with the first revenue transfer reflecting this change to be processed on June 30, 2026 through June 30, 2037, and is estimated to result in the City receiving an additional \$262,000 annually.

(Presenter: Luther Snoke, Chief Executive Officer, 387-4811)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Improve County Government Operations.

Operate in a Fiscally-Responsible and Business-Like Manner.

Pursue County Goals and Objectives by Working with Other Agencies and Stakeholders.

FINANCIAL IMPACT

Approval of this item will impact Discretionary General Funding (Net County Cost). Amendment No. 3 will reduce County General Fund property tax revenue by approximately \$262,000 annually, beginning with the June 30, 2026 property tax revenue transfer. The annual transfer amount to City of Chino Hills will vary annually and is calculated by Auditor-Controller/Treasurer/Tax Collector based on the current assessed valuation of the eligible commercial and industrial properties.

BACKGROUND INFORMATION

On June 28, 1999, Senate Bill 166 was signed by the Governor and filed with the Secretary of State. SB166, which is set forth at Stats. 1999, Chap. 45, authorizes the County and City of Chino Hills (City), subject to certain requirements and limitations, to enter into a written agreement for the annual transfer from the County to the City of a specified percentage of certain additional ad valorem property tax revenues that are attributable to certain classes of improvements to commercial or industrial properties that are identified in the agreement.

On February 8, 2000 (Item No. 34), the County and City entered into Agreement No. 2000-77 (Agreement) as authorized by SB166. The Agreement provides that effective July 1, 2000 to June 30, 2037, the portion of the 1% property tax received from any development related increase in assessed valuation on specified commercial and industrial zoned property received by the City and County shall be split equally.

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On March 23, 2004 (Item No. 4), the County and City modified the original Agreement through the approval of Amendment No. 1, increasing the split to the City to provide an incentive for development to locate within the City and County that might otherwise locate to neighboring Counties.

On December 13, 2005, the Chairman of the Board of Supervisors directed the Chief Administrative Officer to bring forward a policy for Board approval that provides a more equitable general levy tax split between the County and cities with an existing share of less than 10% of the 1% total of ad valorem property taxes. The policy was in response to continued growth throughout the County, and a need to provide additional funding for local cities to meet growing demands for public safety services and infrastructure expansion.

On February 28, 2006 (Item No. 72), the County and City modified the Agreement through the approval of Amendment No. 2 to clarify the properties in the City which would qualify for the ad valorem tax split.

Since the City has no sphere of influence for future development, and limited opportunities for development within the existing city boundaries, Amendment No. 3 establishes a new method for identifying eligible properties by incorporating all commercial and industrial properties within the City, as defined by the County's Assessor Office. Amendment No. 3 will continue to calculate the sharing percentage based on Senate Bill 166 and the existing agreement between the County and the City. The first revenue transfer reflecting this expanded property definition will be processed on June 30, 2026.

PROCUREMENT
N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Laura Feingold, County Counsel, 387-5455) on November 19, 2025; and County Finance and Administration (Amanda Trussell, Principal Administrative Analyst, 387-4773) on November 17, 2025.

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Record of Action of the Board of Supervisors
San Bernardino County

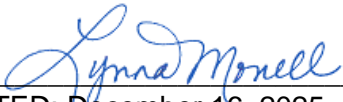
APPROVED (CONSENT CALENDAR)

Moved: Curt Hagman Seconded: Jesse Armendarez

Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Curt Hagman, Joe Baca, Jr.

Absent: Dawn Rowe

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: December 16, 2025



cc: CAO - Trussell w/agree
 Contractor - c/o CAO w/agree
 File - w/agree

MBA 01/8/2026