

Knights Landing Public Cemetery District  
Summary Review of Annexation and Funding Options

September 28, 2009

The Yolo County Local Agency Formation Commission (LAFCO) staff received an inquiry about annexation of land to the Knights Landing Public Cemetery District for an increase in property taxes to the District. The proposed annexation area is south of and adjacent to the District boundary. This report provides information about the District as well as the LAFCO process and requirements for annexation and the mechanisms for funding available to the District.

Organization and Powers

Public Cemetery Districts are single purpose special districts established and regulated under provisions of the Health and Safety Code, Part 4, Section 8890 et. Seq.

Cemetery Districts are legally authorized to provide standard cemetery functions, including land acquisition, cemetery maintenance, and grounds keeping. Districts also conduct activities attendant to burials and disinterment. Districts finance services through property taxes, the sale of burial plots, charges for openings and removals, and setting of markers. The district can also raise money through gifts or donations.

Residents or taxpayers of the district and their family may be interred in district cemeteries.

Background

The Knights Landing Cemetery District is located in eastern Yolo County. The District is generally bound by the Sacramento River on the north and east; Sycamore Slough on the west (generally) starting at County Road 98, and County Road 18 (if CR 18 continued east toward the Yolo County boundary line) on the south (see Map 1). Mary's Public Cemetery District is west of the District.

The Knights Landing Cemetery is centrally located in the District, southeast of the town of Knights Landing at County Road 102, south of and near the intersection of 102 and 113. County Road 102 represents the Cemetery's eastern boundary. One 89-acre parcel surrounds the property on the remaining three sides.

The Cemetery contains approximately 6 acres of land and two columbaria. Less than half of the cemetery acreage is available for interments. Based on average number of interments per year, the remaining land is only sufficient to service the community for approximately thirty years.

The District uses one of two columbaria situated on Cemetery property. The County agreed to fund the construction of both columbaria and provide the Cemetery District one in exchange for the exclusive use of the other to store the remains of Yolo County indigents. Each columbarium has a maximum capacity for 160 urns. Based on the average number of interments per year, the columbarium provided for District use could potentially (in the best case scenario) service the community for an additional sixteen years.

### Annexation Area

The proposed annexation area is south of and adjacent to the District and includes roughly 1,800 acres of property between the eastern levee of the Yolo Bypass and the Sacramento River, south to Interstate 5 (See Map 1). The annexation area appears to have approximately five residences. Assuming a density of 2.7 persons per dwelling unit, the estimated population in the area is 13.

Though the proposed annexation area is adjacent to the District, it does not have to be contiguous to be considered for annexation; however, it cannot overlap another district. The closest cemetery district to the proposed annexation area is the Davis Public Cemetery District, which is about ten miles south.

### Annexation Process

The District must receive approval from LAFCO for annexation of land to the District. A proposal for annexation may be made by the adoption of a resolution of application by the Cemetery District Board or by a registered voter or landowner petition. A petition for the annexation of territory to a district shall be signed by:

- (1) No less than 25 percent of the registered voters within the territory proposed to be annexed, or
- (2) Not less than 25 percent of the number of landowners within the territory proposed to be annexed who also own not less than 25 percent of the assessed value of land within the territory.

The resolution or petition, among other things, should describe the proposed organizational changes, include a map and legal description of the annexation area, provide the reason(s) for the proposal, provide a plan for extending services, and identify whether the proposal is consistent with the Cemetery District's Sphere of Influence.

The annexation area must be consistent with the Sphere of Influence (SOI). The SOI is a LAFCO document that identifies areas of potential future growth through the establishment of a ten- and twenty-year planning line. The District SOI is the same as the District's current boundaries. Any expansion will require a sphere update or amendment.

LAFCO must update the Sphere of Influence for each city and special district every five years. The last SOI was done in 2003 and the next update is due. LAFCO will work with the District to identify potential areas for future growth when LAFCO begins to update the District's SOI. The District may also ask for a Sphere Amendment concurrent with annexation; however, an SOI amendment request outside of LAFCO's approved schedule will be considered a proposal and, like an annexation proposal, will include hourly fees and a deposit.

LAFCO typically charges an hourly fee and requires a \$1,500 deposit to amend the sphere of influence, if the property is outside of the established 10- and 20-year planning lines and outside of the approved schedule. Yolo LAFCO also charges an hourly fee and requires a \$2,000 deposit for boundary change proposals. In specific situations, the Commission may waive or reduce LAFCO fees.

### Funding

The Cemetery District receives ongoing funding through property taxes and fees. The District may increase revenues by increasing fees, levying a special tax, or annexing additional land. Annexation of property may not result in additional funding as the County typically retains the share of property tax in an annexation; however, exceptions have been made. The District may also augment its current taxes with a special assessment levied on residents in the District; however, increasing burial and associated fees might be a more viable option for additional funding.

Part of the annexation process includes a property tax negotiation between the County and the annexing District. Property taxes comprise a maximum one percent of a properties assessed value. Overlapping agencies each share a portion of the one percent in property taxes. A change in taxes allocated to one agency would result in a change in the share to other agencies, including the County. In most cases, the County has not allocated taxes to the annexing District; however, the Clover Annexation to the Cottonwood Cemetery District was one exception.

The Clover Annexation consisted of approximately 12,256 acres of land that was not within the boundaries of any public cemetery district. Two main reasons for annexation was a larger pool of residents from which to draw from for potential trustees and an effort to increase the fiscal viability of the Cottonwood Cemetery. The County Board of Supervisors agreed to reallocate 0.4% (.004) of the County's share of property tax revenues in the Clover area to the Cottonwood District to increase revenues. At that time, the allocation resulted in an additional \$11,000 in revenue per year for the District.

Another tool to increase revenues is a special tax. The District may levy a special tax, which is subject to voter approval. The special tax may be used to finance infrastructure and services and must be approved by a two-thirds majority vote of residents living within the boundaries. A special tax will provide additional ongoing revenue; however, implementation can be cost prohibitive and a two-thirds majority is a threshold that is difficult to achieve.

The District may increase fees if revenues do not meet expenditures. Cemetery fees are directly charged to those that use the District's services. The District increased its fees in 2002 and again in 2004; however, the District may need to revisit its fee schedule. As a comparison, the Davis Public Cemetery District fees are twice the amount of those in the Knights Landing Cemetery District. Overall, the Knights Landing Cemetery District fees are comparable to those in other rural public cemetery districts in Yolo County.

Since the District does not perform a high level of interments per year, it may not be able to recover much revenue for its services and infrastructure costs. Extending the fees to the residents in the proposed annexation area will not significantly increase revenue either, since the population in that area is negligible.

### Conclusion

The Knights Landing Cemetery District is a public cemetery district located in eastern Yolo County. The Cemetery contains undeveloped land and one columbarium for District use. The Cemetery has space to service the community for approximately 46 more years.

Yolo LAFCO received an inquiry about annexation of land into the Knights Landing Cemetery District to increase property taxes. The proposed annexation area is south of and adjacent to the District and includes approximately 1,800 acres of property between the eastern levee of the Yolo Bypass and the Sacramento River, south to Interstate 5.

The District's ongoing revenue sources include property taxes and fees. Annexation may not result in additional, ongoing property tax revenue because the County usually maintains existing property tax shares in an annexation; however the District can discuss options with the County concerning property tax. Since property tax is based on property value, a small allocation of property tax share may yield enough revenue for the District if a sufficient amount of property is included in an annexation. Currently, the District is considering several thousand acres of land along the Sacramento River; however, the District might consider a larger annexation area to increase the financial viability of the District and to improve services for current and new residents.

The District can also enhance revenues through a special tax approved by voters, however, the cost of an election might be prohibitive and a two-thirds majority is difficult to achieve. Fee increases may be the easiest way to raise revenues and it is also reasonable, since the cost is directly passed onto the recipient of the Cemetery services. On the other hand, given the low number of interments per year, increased fees may not provide much revenue for services and infrastructure costs.

Attachment:

Map 1 - Knights Landing Cemetery District boundary map

# Knights Landing Cemetery District

