



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 9/17/2024

To: Board of Supervisors and the Board of Directors of the Sonoma County Water Agency

Department or Agency Name(s): Auditor-Controller-Treasurer-Tax Collector

Staff Name and Phone Number: Lindsay VanMidde (707) 565-3279

Vote Requirement: Majority

Supervisorial District(s): All

Title:

Fiscal Year 2024-25 Secured Property Tax Rates

Recommended Action:

- A) Adopt a Concurrent Resolution of the Board of Supervisors of the County of Sonoma and the Board of Directors of the Sonoma County Water Agency, setting the Fiscal Year 2024-25 secured property tax rates including tax rates for all debt service funds within their jurisdictions.
- B) Adopt a Resolution of the Board of Supervisors of the County of Sonoma, setting the Fiscal Year 2024-25 unitary and operating non-unitary, and railroad unitary tax rates for voter approved indebtedness.

Executive Summary:

California property taxes consist of a base rate of 1% of taxable assessed value, which goes to fund local governments including counties, cities, school districts, and special districts. In addition, voters may approve indebtedness in the form of bonds which are repaid through additional levies on property tax bills. These additional rates, known as the debt service rate, are set based on the amount needed to make principal and interest payments on the indebtedness, and thus may fluctuate slightly from year to year. On or before October 3 of each year, the Sonoma County Board of Supervisors sets secured property tax rates including the countywide base property tax rate of 1% and tax rates for Debt Service Funds within special districts governed by the Board of Directors (Sonoma County Water Agency) and applicable school districts.

Discussion:

Under State law, the Board of Supervisors approves the property tax rates for Sonoma County each year on or before October 3. Once approved by the Board of Supervisors, the tax rates are used to calculate property taxes for individual parcels. These rates include the countywide 1% tax as well as voter approved debt service taxes for agencies such as school districts. Ad valorem tax amounts are determined by multiplying applicable tax rates by the taxable assessed value of each parcel. Thus, a parcel that resides in a school district boundary with a 0.0500% rate will have a total tax rate of 1% (countywide) plus 0.0500% (debt service rate) or 1.0500%, and will result in an ad valorem tax amount of \$1,050 per \$100,000 of assessed value.

Occasionally, debt service tax rates will fluctuate based on scheduled increases in principal and interest payments, changes to assessed values, and adjustments to reserve requirements. In accordance with Education Code §15250, debt service fund balance may be utilized over future periods to smooth a school district tax rate and prevent significant fluctuations. Exhibit A to Attachment 1 includes the rates for each jurisdiction being approved by the Board, with footnotes for those that are increasing or decreasing.

For multi-county school districts, the Board of Supervisors of the governing county (the county in which the county superintendent of schools has jurisdiction over the district) shall approve the annual tax rates. Portions of Sonoma County are included in multi-county school districts governed by Marin and Napa counties. Multi-county tax rates for which Sonoma County is not the governing authority are unavailable at this time. Approval of this resolution package will set these multi-county tax rates at the rates eventually approved by the Board of Supervisors of the governing county.

In addition, the Board of Supervisors annually adopts debt service tax rates for unitary, operating non-unitary and railroad unitary property assessed by the State Board of Equalization. Unitary and non-unitary rates are paid by public utilities operating in the County. Unitary, operating non-unitary, and railroad unitary property classifications are as follows:

- Unitary includes an integrated system of property items owned or leased by the state assessee and used in its primary operation such as the transmission of information by cellular or telephone or the transmission or distribution of electricity.
- Operating non-unitary property is owned by a state assessee, but not used or needed in its primary operation
- Railroad unitary includes rights-of-way, easements for rights-of-way, and railroad property which is being leased to others.

The unitary debt service tax rate for unitary and operating non-unitary property is calculated by the Auditor-Controller based on an average of all the debt service rates for the unitary and operating non-unitary tax roll, as required by Revenue and Taxation Code §100. The debt service burden is distributed proportionally to public utility companies through the unitary debt service tax rate.

The railroad unitary debt service tax rate, prior to Fiscal Year 2024-25, was included in the unitary debt service tax rate calculation. Beginning in Fiscal Year 2024-25, the Sonoma County railroad unitary debt service tax rate is provided by the California Board of Equalization.

Calculations for these rates are on file at the Auditor-Controller-Treasurer-Tax Collector’s office.

Strategic Plan:

N/A

Racial Equity:

Was this item identified as an opportunity to apply the Racial Equity Toolkit?

No

Prior Board Actions:

Annually, the Board sets secured property tax rates including for debt service funds and the unitary, operating non-unitary, and railroad unitary tax roll. Last approved by the Board on September 12, 2023 for FY 2023-24.

FISCAL SUMMARY

Expenditures	FY23-24 Adopted	FY24-25 Projected	FY25-26 Projected
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Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

Rates are set at required levels. Expected property tax generation is included in the existing budget, and there is no fiscal impact to the County based on this item.

Staffing Impacts:			
Position Title (Payroll Classification)	Monthly Salary Range (A-I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Attachment 1 - Resolution approving FY 2024-25 Tax Rates

Attachment 2 - Resolution approving FY 2024-25 Unitary and Operating Non-Unitary, and Railroad Unitary tax rates

Related Items "On File" with the Clerk of the Board:

None.