



COUNTY OF SONOMA

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

SUMMARY REPORT

Agenda Date: 6/3/2025

To: Board of Supervisors

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

Staff Name and Phone Number: Erick Roeser 565-3285

Vote Requirement: Majority

Supervisorial District(s): Countywide

Title:

Establish a Property Tax Cash Difference Fund for Tax Collection

Recommended Action:

Adopt a resolution to establish a Property Tax Cash Difference Fund in the amount of \$5,000 for the settlement of property tax payment shortages and overages of twenty dollars or less.

Executive Summary:

The Board of Supervisors may establish a cash difference fund to settle property tax payments to the County for tax, assessment, penalty, cost, or interest when there is a variance between the amount owed and paid and the difference is twenty dollars (\$20) or less. Utilizing a cash difference fund to settle these small payment variances will create operational efficiencies and reduce late payments and delinquent penalties charged to taxpayers who make inadvertent errors when paying property taxes. Both initial and ongoing funding for this request will come from existing allocation of General Fund support to the Tax Collection budget unit.

Discussion:

Property tax installment payments are required to be paid in-full by the applicable delinquency (due) date in order to be accepted by the Tax Collector and avoid a 10% delinquent penalty. Payment shortages are returned to the taxpayer with instructions to make the payment in-full by the due date. Returning a short payment to a taxpayer requires tax collection staff to send a communication to the taxpayer, follow-up on returned mail or incorrect addresses and answer taxpayer questions. This process often results in a late payment and delinquent penalties. Delinquent penalties are mandated by state law and cannot be waived or reduced for incorrect payment amount. Additionally, an overpayment requires staff to process a refund voucher for the overage amount and issue a refund check.

State law, California Government Code § 29370, et seq., authorizes the Board of Supervisors (Board) to establish a county officers cash difference fund by Board resolution. California Revenue and Taxation Code (RTC) § 2611.5 further details the use of a cash difference fund for property tax collection purposes and specifies the allowable shortage and overage difference of \$20 or less.

The establishment of a Property Tax Cash Difference Fund (Fund) for small payment differences of \$20 or less will allow Tax Collection staff to utilize the Fund for shortages and overages as necessary to post property tax payments in-full. This will create operational efficiency by reducing the work associated with payment returns and overage refunds and by reducing the number of properties that go into a delinquent status and incur delinquent penalties for small inadvertent errors. Tax Collection staff will administer the Fund in accordance

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with RTC 2611.5, including maintaining a record of each use of the Fund and the amount of the difference. Additionally, staff will review records for serial short payments and unintended use of the Fund.

Fund will be initially seeded with \$5,000 and Tax Collection staff estimates annual use of the Fund balance, net of shortages and overages, to be around \$2,500. Appropriations will be requested as part of annual budget submittal to come from existing Tax Collection General Fund support.

Strategic Plan:

N/A

Racial Equity:

N/A

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

No

Prior Board Actions:

None

FISCAL SUMMARY

Expenditures	FY24-25 Adopted	FY25-26 Projected	FY26-27 Projected
Budgeted Expenses	\$5,000	\$2,500	\$2,500
Additional Appropriation Requested			
Total Expenditures	\$5,000	\$2,500	\$2,500
Funding Sources			
General Fund/WA GF	\$5,000	\$2,500	\$2,500
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
Total Sources	\$5,000	\$2,500	\$2,500

Narrative Explanation of Fiscal Impacts:

An initial impact of \$5,000 of General Fund dollars from existing Tax Collection allocation will be used to establish the fund. Ongoing, there is an estimated annual impact of \$2,500 to be included as part of annual budget process. This change is expected to create efficiencies and will likely reduce postage and printing expenses.

Staffing Impacts:

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

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Narrative Explanation of Staffing Impacts (If Required):

None.

Attachments:

Resolution Approving the Establishment of a Cash Difference Fund

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

None.