



Legislation Text

File #: 2020-0224, **Version:** 1

To: Board of Supervisors

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

Staff Name and Phone Number: Dawn Calahan (707) 565-3294

Vote Requirement: Majority

Supervisory District(s): Countywide

Title:

2019-20 Property Tax Administration Charge

Recommended Action:

Approve Resolution Authorizing Property Tax Administration Charge to local taxing agencies to reimburse the County for costs incurred to process property taxes for Fiscal Year 2019-20.

Executive Summary:

During Fiscal Year 1990-91, the State Legislature gave Counties the authority, under Senate Bill 2557, to collect property tax administration costs from local taxing agencies jurisdictions as reimbursement for processing their property taxes. This authorization was codified in Section 97 of the Revenue and Taxation Code (now Section 95 of the Revenue and Taxation Code). The purpose of this action is for the Auditor-Controller-Treasurer-Tax Collector (ACTTC) to report the charges for property tax administration costs in FY 2019-20 to the Board of Supervisors, taxing jurisdictions and other interested parties.

Of the total \$10,944,636 cost for property tax administration, \$2,849,272 is distributed between the districts, cities, and redevelopment successor agencies, and \$8,095,364 is borne by the County General Fund. The \$2,849,272 total reimbursement received from non-County entities is programmed in the County's FY 2019-20 Adopted budget as General Fund revenue in the Non-Departmental budget unit.

Discussion:

FY 2019-20 Property Tax Administration charge of \$10,944,636 increased by \$322,041, or 3.03%, compared to the FY 2018-19 charge, and is equivalent to 1.1% of the total property tax levy. The increase is attributable to a \$336,156, or 2.4%, increase in reimbursable property tax administration costs and a \$14,115 or, 0.4%, increase in offsetting revenue.

In accordance with the Revenue and Taxation Code Section 95, jurisdictions will be charged in FY 2019-20 based on actual costs attributable to tax administration provided by the Auditor-Controller-Treasurer-Tax Collector, Assessor's Offices, and Assessment Appeals Board for FY 2018-19. A worksheet is provided in Resolution Attachment 1 that summarizes the actual property tax administration costs in FY 2019-20 Property Tax Administration charge of \$10,944,636 increased by \$322,041, or 3.03%, compared to the FY 2018-19

charge, and is equivalent to 1.1% of the total property tax levy. The increase is attributable to a \$336,156, or 2.4%, increase in reimbursable property tax administration costs and a \$14,115 or, 0.4%, increase in offsetting revenue.

In accordance with the Revenue and Taxation Code Section 95, jurisdictions will be charged in FY 2019-20 based on actual costs attributable to tax administration provided by the Auditor-Controller-Treasurer-Tax Collector, Assessor's Offices, and Assessment Appeals Board for FY 2018-19. A worksheet is provided in Resolution Attachment 1 that summarizes the actual property tax administration costs in FY 2018-19 for the FY 2019-20 charges. Resolution Attachment 2 shows the distribution to each taxing jurisdiction in FY 2019-20, along with a comparison to FY 2018-19 charges.

As with years past, in accordance with Revenue and Taxation Code Section 95.3, the County Auditor will not charge county school districts, community college districts, Educational Revenue Augmentation Fund (ERAF), and county offices of education for their proportionate amounts of property tax administrative costs. This practice began during 1991-92 when the State Legislature exempted schools from the list of agencies to be charged annually (please note Resolution Attachment 2 includes school amounts for information only). If schools were not exempted from these charges by State action, schools would pay \$6,161,842 of the amount currently paid by the County General Fund, and would reduce the County's costs to \$1,933,523.

Prior Board Actions:

October 23, 1990: First established a charge for Property Tax Administration. Each year thereafter annual approval of Property Tax Administration Charges.

FISCAL SUMMARY

Expenditures	FY 19-20 Adopted	FY20-21 Projected	FY 21-22 Projected
Budgeted Expenses			
Additional Appropriation Requested			
Total Expenditures			
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources			

Narrative Explanation of Fiscal Impacts:

The Auditor-Controller-Treasurer-Tax Collector, Assessor's Offices and Assessment Appeals Board have incurred a total of \$10.9M in costs in their respective department budgets related to tax administration. Of these costs \$2.8M are recovered through Property Tax Administration charge.

This revenue is recorded in the General Fund under the Non-Prop 4 department ID and is collected from special districts, cities and redevelopment successor agencies. The remaining \$8.1M in costs are a use of fund balance in the General Fund, \$1.9M representing the County's share of tax administration related expenses, and \$6.2M attributable to school districts.

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

Narrative Explanation of Staffing Impacts (If Required):

Attachments:

Resolution authorizing Property Tax Administrative Charge for 2019-20

Attachment #1 - FY 2018-2019 Costs of Tax Administration for Calculating 2019-2020 SB2557 Charges

Attachment #2 - FY 2019-2020 SB2557 Property Tax Administration Fee Schedule

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

County Property Tax Administrative Costs (SB 2557) Guidelines from the California Property Tax Manual.