



Legislation Text

File #: 2021-0194, **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:

2020-21 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 FY 2020-21.

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 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.

For calculating FY 2020-21 charges, property tax administration costs, net of offsetting revenue, total \$10,404,551. Net costs in the amount of \$2,717,523 are attributable to special districts, cities and redevelopment successor agencies, and will be collected by the ACTTC. Net costs in the amount of \$7,687,028 will be borne by the County General Fund. Amounts collected from taxing jurisdictions are programmed in the FY 2020-21 Adopted budget as County General Fund revenue in the Non-Departmental budget unit.

Discussion:

In accordance with the Revenue and Taxation Code Section 95, taxing jurisdictions will be charged in FY 2020-21 based on FY 2019-20 actual net costs attributable to property tax administration provided by the ACTTC, Assessor, and Assessment Appeals Board. A worksheet is provided in Resolution Attachment 1 that summarizes the FY 2019-20 actual property tax administration costs and offsetting revenue for calculating the FY 2020-21 charges.

The net cost of property tax administration is apportioned to taxing jurisdictions proportionally based each jurisdiction's share of the countywide property tax allocation adjusted for redevelopment tax increment. In

1991-92, the State Legislature exempted schools from the property tax administration charge and, as a result, the ACTTC will not charge county school districts, community college districts, Educational Revenue Augmentation Fund (ERAF), and county offices of education for their proportional share of property tax administrative costs. Resolution Attachment 2 shows the FY 2020-21 distribution of property tax administration costs to each taxing jurisdiction and includes a comparison to the FY 2019-20 distribution. School amounts are included as information only.

The FY 2020-21 net cost of property tax administration is \$10,404,551, which is a decrease of \$540,085 or - 4.93% from FY 2019-20, and equivalent to 1.0% of the total property tax levy. The decrease is attributable to a \$61,731, or -0.4%, decrease in eligible property tax administration costs and a \$478,354 or, 15.1%, increase in offsetting revenue. If school jurisdictions were not exempted from these charges, schools would pay \$5,852,654 of the amount currently paid by the County General Fund and would reduce the County's costs to \$1,834,374.

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 20-21 Adopted	FY21-22 Projected	FY 22-23 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 and Assessment Appeals Board incurred net costs of \$10.4M for the administration of property taxes. Of these costs, \$2.7M will be recovered through Property Tax Administration charges.

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 \$7.7M in costs are a use of fund balance in the County General Fund; \$1.8M represents the County's share of tax administration, and \$5.9M is

attributable to schools.

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 2020-21

Attachment #1 - FY 2019-2020 Costs of Tax Administration for Calculating 2020-2021 SB2557 Charges

Attachment #2 - FY 2020-21 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.