

# SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors  
105 E. Anapamu Street, Suite 407  
Santa Barbara, CA 93101  
(805) 568-2240

**Agenda Number:**  
**Prepared on:** 12/30/04  
**Department Name:** Treasurer-Tax Collector  
**Department No.:** 065  
**Agenda Date:** 1/25/05  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Bernice James, Treasurer-Tax Collector

**STAFF CONTACT:** Clint Donati, Treas-Tax Collection Operations Mgr  
568-2490

**SUBJECT:** Adoption of a Resolution Regarding Auctioning of Commercial Real Property

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## **Recommendation(s):**

That the Board of Supervisors: Adopt the Resolution to apply the same five-year redemption period to both residential and commercial real property.

## **Alignment with Board Strategic Plan:**

The recommendation(s) are primarily aligned with Goal No. 4. A Community that is Economically Vital and Sustainable.

## **Executive Summary and Discussion:**

Historically, the redemption period for all real property in California has been five years. All taxpayers had five years to pay delinquent taxes before the tax collector could sell property at a public auction and recover unpaid taxes. If this resolution is not adopted, Santa Barbara County will have a 3-year redemption period for commercial real property and a 5-year redemption period for residential real property. This would result in increased collection costs to identify and separately track tax delinquent commercial property, require substantial system programming costs, increase costs to implement the auction process two years earlier than the historical period, and possibly have a negative impact on our business community.

## **Mandates and Service Levels:**

California tax law has required a five-year redemption period for all real property prior to a power-to-sell (auction) authority. Assembly Bill 1244 became effective on January 1, 2005 and shortened the redemption period for commercial real property to only three years unless the Board of Supervisors adopts a resolution to continue the 5-year period. As Santa Barbara County currently has the lowest real property tax delinquency

percentage in the State of California, a shorter redemption period for commercial real property is unnecessary and inconsistent with the needs of the community.

**Fiscal and Facilities Impacts:**

There will be no fiscal or facilities impact to current operations if this resolution is adopted. If the resolution is not adopted, some commercial real property might be sold after taxes are delinquent 3 years instead of the current 5-year period. Delinquent taxes would be recovered sooner, but at a higher cost to collect.

**Special Instructions:**

Send Minute Order to Treasurer-Tax Collector

**Concurrence:**

Clerk Recorder-Assessor  
County Counsel

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE  
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF DECLARING ITS ) RESOLUTION NO.  
OFFICIAL INTENT TO APPLY A )  
FIVE-YEAR TIME PERIOD FOR TAX- )  
DEFAULTED NONRESIDENTIAL )  
COMMERCIAL PROPERTY )

**WHEREAS**, Assembly Bill 2144, Chapter 944, which becomes effective January 1, 2005, amends California Revenue and Taxation Code Section 3691 and will require the County Tax Collector to attempt to sell tax-defaulted Non-residential Commercial Property at Public Auction within 3 years after the property becomes tax-defaulted; and

**WHEREAS**, the current tax-defaulted time period for all property is five years and this new legislation will create a split-roll for commercial properties in redemption; and

**WHEREAS**, this new tax-defaulted requirement will require extensive enhancements and improvement to the current property tax computer system and added expense to the County's General Fund; and

**WHEREAS**, the current property tax rolls do not identify residential and commercial properties and the Assessor's Roll would have to be enhanced to provide this information to the Tax Collector; and

**WHEREAS**, Assembly Bill 2144 allows a County to elect by Ordinance or Resolution to continue the five-year time period as currently applied to Tax-defaulted Nonresidential Commercial Property;

NOW THEREFORE, be it resolved by the Board of Supervisors of the County of Santa Barbara as follows:

Section 1. The above recitals are true and correct.

Section 2. The Board hereby approves the continuation of the five-year period for tax-defaulted Nonresidential Commercial Property in accordance with California Revenue and Taxation Code Section 3691 (B).

Section 3. This resolution shall take effect on \_\_\_\_\_, 2005

**PASSED AND ADOPTED** this \_\_\_\_\_ day of January 2005, by the following vote:

AYES:

NOES:

ABSENT:

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Chair of the Board of Supervisors

[seal]

**ATTEST:**

Michael F. Brown,  
Clerk of the Board Supervisors

**APPROVED AS TO ACCOUNTING  
FORM:**

Robert W. Geis, C.P.A.  
Auditor-Controller

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**APPROVED AS TO FORM:**

Stephen Shane Stark,  
County Counsel

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