

**AGREEMENT FOR STATE-COUNTY
PROPERTY TAX ADMINISTRATION PROGRAM**

THIS AGREEMENT is entered into this ____ day of _____, 2002 by and between the County of Santa Barbara (County) and the State Department of Finance (State).

WITNESSETH

WHEREAS, Revenue and Taxation Code Section 95.31 provides that upon recommendation of the Clerk-Recorder-Assessor, and by resolution of the Board of Supervisors, the County may elect to participate in the State-County Property Tax Administration Program, administered by the State; and

WHEREAS, the County elects to participate in the State-County Property Tax Administration Program and to apply for a loan of \$926,817 for fiscal year 2001-02; and

WHEREAS, the County finds it necessary to apply for this loan to enhance its property tax administration system; reduce backlogs of new construction, changes in ownership and Proposition 8 declines in value; and prepare a defense for each appeals case that is scheduled by the Assessment Appeals Board; and maximize value enrollment capabilities; and

WHEREAS, in order to participate in the State-County Property Tax Administration Program, the County must enter into an agreement with the State;

NOW THEREFORE, the parties agree as follows:

1. **PERIOD OF AGREEMENT**

This agreement shall commence upon the date of execution by both parties and shall expire on June 30, 2002.

2. **LOAN AMOUNT**

The State agrees to make available to the County a loan in the amount of \$926,817 for fiscal year 2001-02.

3. **COUNTY REQUIREMENTS**

The County agrees to use the funds received from the State to enhance the property tax administration system. The County agrees not to use this loan to supplant Clerk-Recorder-Assessor's current level of funding. The County understands and agrees that in order for the county to be eligible to participate in this State-County Property Tax Administration Program, it must maintain a base staffing, including contract staff, and total funding level in the Clerk-Recorder-Assessor's Office, independent of the loan proceeds provided pursuant to this Act, equal to the levels in the 1994-95 fiscal year exclusive of the amounts provided to the Clerk-Recorder-Assessor's Office pursuant to item 9100-102-001 of the Budget Act of 1994.

The 1994-95 fiscal year base funding and staffing level, as determined by the Clerk-Recorder-Assessor's Office and the Administrative Office of the County which shall be deemed to satisfy this requirement is as follows:

Gross Appropriation	\$4,211,001
Total Budgeted Positions	65.8
Additional Contract Positions	2.0

4. **OPTION TO PARTICIPATE**

The County is required to provide written notice to the State in each year of its election to receive the loan and the notice shall be signed by the County's Project Director and Administrative Officer. The notice will also specify the amount of the of the loan which may be less than \$926,817.

The State is not obligated to make the loan in fiscal year 2001-02 if the County has not repaid the prior year's loan as established in Section 6, or renegotiated the repayment definition.

The State may make a loan in fiscal year 2001-02 in a lesser amount than that requested by the County if the State determines that the County would be unable to repay the full amount of the requested loan.

5. **RECEIPT OF FUNDING**

In the fiscal year 2000-01, the County shall receive payment of \$926,817 within thirty (30) days after the approval of this agreement by both parties. For the 2001-02 fiscal year, the State shall make payment of loan amounts after the receipt of the notice from the County required in Section 4 and within 60 days after receipt of the Auditor-Controller verified workload and assessed value change data required in Section 10.

6. **DEFINITION OF PAYMENT**

Repayment of the loan shall be evaluated based upon the Clerk-Recorder-Assessor's performance under the following criteria:

(A) New Construction Assessments

Complete the July 1, 2001 backlog of 253 (two hundred fifty three) new construction assessments and make every effort to process the current year backlog projected at two thousand one hundred thirty two (2,803), by April 30, 2002:

Backlog 253

<u>Year</u>	<u>Backlog</u>	<u>Status Quo Workload</u>	<u>Total Workload</u>	<u>Permanent Staff</u>	<u>AB 818 Staff</u>	<u>Projected Backlog</u>
2001-02	253	5,100	5,353	2,200	350	2,803

(B) Reappraisable Transfers

Complete the July 1, 2001 backlog of 193 (one hundred ninety-three) re-appraisable transfers and make every effort to process the current year backlog projected at 2,6200 (two thousand six hundred twenty), by April 30, 2002:

Backlog **193**

<u>Year</u>	<u>Backlog</u>	<u>Status Quo Workload</u>	<u>Total Workload</u>	<u>Permanent Staff</u>	<u>AB 818 Staff</u>	<u>Projected Goal</u>
2001-02	193	7,927	8,120	4,714	786	2,620

(C) Defense of Assessment Appeals

Process all assessment appeal cases that are scheduled by the Assessment Appeals Board. Reduce the backlog of 154 (one hundred fifty four) to a projected backlog of 341 (three hundred forty one) and 55 (fifty five) oil company assessment appeals to a projected backlog of 32 (thirty two) by April 30, 2002:

[1] Assessment Appeals

Backlog **154**

<u>Year</u>	<u>Backlog</u>	<u>Status Quo Workload</u>	<u>Total Workload</u>	<u>Permanent Staff</u>	<u>AB 818 Staff</u>	<u>Projected Goal</u>
2001-02	154	312	466	107	18	341

[2] Major Oil Assessment Appeals

Backlog **55**

<u>Year</u>	<u>Backlog</u>	<u>Status Quo Workload</u>	<u>Total Workload</u>	<u>Permanent Staff</u>	<u>AB 818 Staff</u>	<u>Projected Goal</u>
2001-02	55	52	107	64	11	32

(D) Mandatory Business Audits

Complete the July 1, 2001 backlog of 261 (two hundred sixty one) mandatory audits and make every effort to process the current year backlog projected at 528 (five hundred twenty eight), by April 30, 2002:

Backlog

261

<u>Year</u>	<u>Backlog</u>	<u>Status Quo Workload</u>	<u>Total Workload</u>	<u>Permanent Staff</u>	<u>AB 818 Staff</u>	<u>Projected Goal</u>
2001-02	261	363	624	64	32	528

(E) Proposition 8 Assessment Reviews

Complete the July 1, 2001 backlog of three (three) assessment reviews and make every effort to process the current year backlog projected at 403 (four hundred three), by April 30, 2002:

Backlog

3

<u>Year</u>	<u>Backlog</u>	<u>Status Quo Workload</u>	<u>Total Workload</u>	<u>Permanent Staff</u>	<u>AB 818 Staff</u>	<u>Projected Goal</u>
2001-02	3	1,900	1,903	1,286	214	403

In measuring payment, the following formula shall be used:

$$\frac{A + (B - C)}{A}$$

"A" = The Actual accumulated number of reassessments completed/assessment appeals defended
 "B" = The Backlog goal/appeals not defended
 "C" = The achieved backlog/appeals not defended

For example:

If the achieved backlog for [a] New Construction Transfers above for 2000-01 is 112, the above formula will produce the following:

$$\frac{3,480 + [164 - 112]}{3,480} = 101.5\%$$

The percentage of success, including percentages over 100, for each of the five goals (“a” through “e”) will be weighted as shown in the table below to determine the total percentage of success. If this total is 95% or greater, the loan shall be considered to have been repaid. If the percentage is less the 95%, that percentage multiplied by the loan amount shall be considered the amount that has been repaid.

Workload Category	% Weight
[a] New Construction	7
[b] Reappraisable Transfers	15
[c] Defense of Assessment Appeals	18
[d] Mandatory Business Audits	15
[e] Proposition 8 Assessment Reviews	45
	100

If the workload increases for items (a), (b), (c), (d) and/or (e) of Section 6 by 10% or more, the target backlogs for each year will be automatically increased by the numeric amount of the workload increase.

In addition, the Clerk-Recorder-Assessor will continue compliance with Section 469 of the Revenue and Taxation Code, and continue processing and monitoring Proposition 8 decline in value assessments.

7. **RENEGOTIATION OF THE REPAYMENT DEFINITION**

At the request of the County, the State agrees to renegotiate in good faith the definition of repayment specified in Section 6, if there is any major misfortune or calamity occurring in the County proclaimed by the Governor to be in a state of disaster and affecting 1% of the assessable parcels in the County. If an agreement is not reached, the provisions of Section 6 will apply; however, the repayment date will be extended to June 30 of the fiscal year following the year in which the loan is made, and upon request, the County will be granted a repayment extension as provided in Section 95.31 of the Revenue and Taxation Code.

8. **PROPOSED USE OF LOAN**

The County plans to use the funds received from the State to fund appraisal, clerical and support positions, overtime as needed, and to enhance its property tax administration system, as specified in Exhibit A.

It is understood and agreed that funds received by the County pursuant to this program shall be deposited into a trust account to be used as required by Revenue and Taxation Code Section 95.31. Any funds remaining in the account at the end of each annual term may be rolled over to the next fiscal year for authorized uses consistent with the provisions of Section 95.31.

It is also understood that upon satisfaction of the terms set forth in Section 6 as repayment for each annual loan, the State will have no further claim on these funds provided the County continues to meet the requirements stipulated in Section 3.

However, in the event that the county has not expended all of the loan proceeds, the County may, at its option, return to the State all or a portion of any unspent loan proceeds to reduce the amount of the loan.

9. **FAILURE TO REPAY LOAN AMOUNT**

If the County fails to repay the loan as specified in Sections 6 and 7 the State shall notify the County and Controller. The Controller shall make an apportionment to the General Fund on behalf of the County in the amount of that required payment for the purpose of making that payment. The Controller shall make that payment only from moneys credited to the Motor Vehicle License Fee Account in the Transportation Tax Fund to which the County is entitled at the time under Chapter 5 (commencing with Section 11001) of Part 5 of Division 2 of the Revenue and Taxation Code, and shall thereupon reduce, by the payment, the subsequent allocation or allocations to which the County would otherwise be entitled under that chapter. It is understood and agreed that partial payment of the loan will be accepted by the State in accordance with the formula established by Section 6. The State shall be entitled to recover only that portion of the loan considered unpaid as established by Section 6.

10. **REPORTING CRITERIA**

The County agrees to provide to the State, by March 31 of each fiscal year, an Interim Report listing the projected impact of the increased funding in the current and subsequent fiscal year regarding the number of reassessments completed, appeals defended, June 30 backlog, and the average increment of assessed value change associated with items (a) through (e) of Section 6 of this contract, plus similar information relating to Proposition 8 "Decline in Value" claims.

The County will also provide to the State by January 15 of the following fiscal year a report listing the actual workload, number of reassessments completed or appeals defended, the achieved June 30 backlog, and the average increment of assessed value change associated with items (a) through (e) of this contract, plus similar information relating to Proposition 8 "Decline in Value" claims. This report will be verified by the County's Auditor-Controller.

11. **PROJECT RESPONSIBILITY - COUNTY**

County will provide a Project Director who will be responsible for ensuring the objectives under this agreement are met. The Project Director will monitor County performance. County's Project Director will serve as liaison with the State's Project Director on an as needed basis. County's Project Director shall provide direction to the State in the areas relating to County policy, and information and procedural requirements.

County's Project Director for this agreement shall be:

Dana R. Bentley
 County of Santa Barbara
 105 E. Anapamu Rm. 204
 Santa Barbara, CA 93101 (805) 568-2214

County shall notify the State in writing of any change in the name or address of County's Project Director.

12. **PROJECT RESPONSIBILITY - STATE**

The State will provide a Project Director who will be responsible for State performance under this agreement. The Project Director shall be a full-time employee of the State.

The State's Project Director for this agreement will be:

Connie Squires, Program Budget Manager
State of California
Department of Finance
915 L Street
8th Floor
Sacramento, CA 95814 (916) 322-2253

The State's Project Director will serve as liaison with County's Project Director on an as needed basis.

The State shall notify the County in writing of any changes in the name of address of the State's Project Director.

13. **EXCLUSIVE AGREEMENT**

This agreement constitutes the compete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of the agreement.

14. **CHANGES AND AMENDMENTS**

The County and the State reserve the right to change any portion of the work required under this agreement or to amend such other items and conditions as it may become necessary. Any such revisions shall be accomplished only with the written approval of the Santa Barbara County Board of Supervisors and the State.

15. **NOTICES**

All notices or demands required to be given or made hereunder shall be in writing and shall be deemed to have been given if made by hand delivery with signed receipt, or as shown on the receipt when mailed by first-class, registered or certified mail, postage prepaid, addressed to the County and State at their respective addresses designated below or at such other address as County or State shall have furnished in writing to the other.

The designation addresses of respective parties for the purpose of notice are as follows:

COUNTY:

Dana R. Bentley, Departmental Analyst
Office of the Clerk-Recorder-Assessor
County of Santa Barbara
P.O. Box 159
Santa Barbara, CA 93102-0159

STATE:

State of California
Department of Finance
915 L Street
8th Floor
Sacramento, CA 95814

Attn.: Connie Squires, Program Budget Manager

IN WITNESS WHEREOF:

The County of Santa Barbara Board of Supervisors has caused this agreement to be subscribed by the chairman and the seal of said Board to be hereto affixed and attested by the Clerk hereof, and the State has caused this agreement to be signed by its duly authorized officer this _____ day of _____, 2002.

County of Santa Barbara

By _____
Chair, Board of Supervisors

ATTEST: Michael Allen
Clerk of the Board of Supervisors

By _____
Deputy

State: State Department of Finance

By _____

APPROVED AS TO FORM BY
COUNTY COUNSEL

By _____

APPROVED AS TO FORM BY
AUDITOR CONTROLLER

By _____

**SANTA BARBARA COUNTY
PROPERTY TAX ADMINISTRATION LOAN PROGRAM
ESTIMATED SEVENTH YEAR LOAN ALLOCATION
2001/2002**

LOAN AMOUNT \$ 926,817
CARRY OVER BALANCE \$ 198,925
TOTAL \$ 1,125,742

STAFFING DESCRIPTION

(DEPARTMENT)	EXH	FTE	
Appraiser I/II/III (Assessor)		3	\$ 148,860
Legal Document Specialist (formally Clerk III) (Assessor)		3	\$ 122,940
Auditor-Appraiser I/II/III (Assessor)		3	\$ 167,272
Management Specialist (Assessor)		1	\$ 91,893
Accountant Assist, Sr. (Assessor)		1	\$ 37,195
Mapping Technician (Assessor)		1	\$ 55,179
Deputy County Counsel (County Counsel)		1	\$ 104,328
Appraiser Aide	2		\$ 51,008
Totals	2	13	
		Subtotal Amount	\$ 778,675

Other Expenditures

[1] Department Benefit Package (Unemployment Insurance, Workers' Comp, Long Term Disability/Life Insurance		\$ 22,359
[2] Communication and Telephone Services		\$ 2,747
[3] Upgrade the Auditor Controller's Property Tax system for Interface with Assessor and Treasurer Tax Collector's systems; Reimbursement for year end contract review		\$ 98,000
	Subtotal Amount	\$ 123,106
	Grand Total	<u>\$ 901,781</u>