



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

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

Department Name: Auditor-Controller
Department No.: 061
For Agenda Of: January 9, 2018
Placement: Administrative
Estimated Tme: N/A
Continued Item: No
If Yes, date from: N/A
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director Theodore Fallati, CPA, CPFO
Auditor-Controller
Contact Info: Ed Price, CPA
Chief Deputy Controller
SUBJECT: Sales Tax and Transient Occupancy Tax Annual Reports

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

Recommended Actions:

That the Board of Supervisors:

- a) Receive and file the Santa Barbara County Sales and Use Tax Highlights for Fiscal Year (FY) 2016-17.
- b) Receive and file the Santa Barbara County Annual Transient Occupancy Tax Report for FY 2016-17.
- c) Determine that the above actions are not a project under the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15378(b)(5), because they are government fiscal activities which do not involve commitment to any specific project which may result in potentially significant physical impact on the environment.

Summary Text:

Each year the Auditor-Controller prepares publications highlighting annual financial results and revenue sources. These publications detail the collection and distribution of local taxes within Santa Barbara County. Each tax source has a complicated collection and allocation process. These reports are considered to be "Popular Reports" by the Governmental Finance Officers Association, as they are specifically designed to be readily accessible and easily understandable to the general public and other interested parties.

Background:

The County's largest discretionary revenue source is the local property tax, followed by local sales tax. The transient occupancy tax is also an important discretionary revenue source for the County. The magnitude of the taxes generated within the County of Santa Barbara is as follows:

Sales and Use Tax Highlights

Taxable sales Countywide reached \$7.1 billion in FY 2016-17, for a growth rate of 1.7%. The sales and use tax generated approximately \$148 million for the County to support local programs and services.

In FY 2016-17, the Autos & Transportation sector grew by 8.3% and generated \$11.6 million in sales tax revenue. Restaurants & Hotels generated \$10.9 million, a growth of 4.2%, while Building & Construction generated \$6.1 million, a growth of 1.4%. Overall, most of the business group sectors reflect growth, except the Business & Industry sector, which fell by 1.3% and the Fuel & Service Stations sector which decreased 3.2%.

Transient Occupancy Tax (TOT) Highlights

The annual TOT report is compiled by collecting information from the incorporated Cities within the County, and collections in the unincorporated area of Santa Barbara County. Our intent is to provide a broad picture of the lodging taxes collected from tourism in the County.

The local TOT generated approximately \$55.9 million in FY 2016-17 for all cities and unincorporated areas of the County, an increase of 5.4% from last fiscal year. The County of Santa Barbara received approximately \$10.1 million in TOT from the unincorporated areas, growing 12.5% from last fiscal year. This large growth was primarily due to the TOT rate increasing from 10% to 12% effective January 1, 2017, in the unincorporated areas.

Both of these publications highlighting the County's revenue sources along with our annual Financial Highlights report and Comprehensive Annual Financial Report are available on the County website at <http://www.countyofsb.org/auditor/default.aspx?id=1234>

Performance Measure:

Timely and accurately produce and publish financial reports.

Fiscal and Facilities Impacts:

N/A

Attachments:

Attachment A: 2016-17 Sales & Use Tax Highlights Report

Attachment B: 2016-17 Annual Transient Occupancy Tax Report

Authored by:

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cc: