

# Proposition 90 Follow up

Board of Supervisors

County of Santa Barbara

April 22, 2014



# Background

- In 1989, County had considered a Proposition 90 “Local Option”
- In September 2013, Board provided an option to re-evaluate Proposition 90
- Directed CEO staff to bring this back with more information and to notify all affected local agencies to elicit comments

# Proposition 60 and 90

## Proposition 60

- Property tax relief is only allowed once
- Must be filed within 3 years of purchase
- Both properties must be located within County

## Proposition 90

- Allows counties to accept Prop 60 base year value transfers from other counties if local option resolution is adopted by the Board
- Constitutional Amendment as of November 198
- SB County does not accept base values

# Proposition 90

- Nine counties allow base year value transfers

- Ventura
- Los Angeles
- Orange
- San Diego
- Alameda
- Santa Clara
- San Mateo
- El Dorado
- Riverside

County	Average # of Prop.90 Claims	Average Base Value Reduction	Total Parcels	SBC % of Parcels	Estimate of claims for SBC
Santa Clara	56	\$398,000	476,602	0.27	15
Ventura	72	NA	252,476	0.51	37
Alameda	54	\$401,000	434,102	0.30	16
Average		\$400,000			23

# Impacts of Prop 90 in SBC

- Pro-rated impacts in surveyed counties –
  - \$920,000 in SBC property tax reduction over 10 years
    - \$552,000 reduction to schools
    - \$184,000 reduction to cities/special districts
    - \$184,000 reduction to the County
- Sixty-two entities were invited to comment
- Nine entities responded –
  - Eight opposed
  - One neutral

# Recent Proposition 90 Adoption

- Riverside began mid-September 2013
- Through end of February:
  - Eighteen approved
  - Fifty-two pending
  - Average \$192,000 base value reduction
- Prorated for SBC = 43 applications

# Recommended Actions

- Receive and file additional information on estimated tax revenue impacts that may result from implementing a Proposition 90 Local Option in Santa Barbara County.