

**BERNICE JAMES**

Treasurer-Tax Collector  
Public Administrator – Public Guardian

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**FEE ANALYSIS REPORT  
FEBRUARY 2008**

**DESCRIPTION OF SERVICE:** Preparation of delinquent tax records and giving notice of delinquency after second installment of secured taxes is due. Publishing of delinquency list in various newspapers.

**Legal Authority:** Revenue & Taxation Code 2621 and Government Code 54985

**R&T 2621 & 2706** Provides that after the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of ten dollars for preparing the delinquent tax records and giving notice of delinquency on each separate valuation on the secured roll.

**GC 54985** Provides that a County Board of Supervisors shall have the authority to increase or decrease a fee or charge, that is otherwise authorized to be levied by another provision of law, in the amount reasonably necessary to recover the cost of providing any product or service or the cost of enforcing any regulation for which the fee or charge is levied.

**Steps in Performing:**

1. At close of business on April 10th, 2nd installment secured property taxes become delinquent. Pursuant to State law and County code, a \$20 cost is added at that time to the tax amount due.
2. In June the TTC prepares and prints notices of delinquency. The printed notices are pre-sorted and reviewed for correctness.
3. Upon completion of the pre-sort, the notices are sent to a mail service for folding and inserting and mailing to the taxpayers.
4. In August the TTC prepares a list of secured delinquent taxes for publication in local County newspapers.
5. Throughout these steps, upon the delinquency at close of business on April 10th, the TTC staff interacts with individual taxpayers, lending institutions, and title companies until the delinquency is satisfied.

**Volume:** 7000

**Cost to Perform:**

Proposed 08-09 Secured Delinquency Expenditures

Direct Expenditures

Salaries & Benefits	\$ 555,274.00
Services & Supplies	234,018.00
Other Charges	21,066.00
	<u>\$ 810,358.00</u>

Plus: Indirect Expenditures (Salaries & Benefits 60%)	333,164.40
Less: Revenues	(329,276.00)

Total Projected 2008-09 Expenditures	<u>\$ 814,246.40</u>
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Total for Secured Delinquencies (27.5%)	\$ 223,917.76
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<b>Cost Per Delinquency</b>	<u>\$ 31.99</u>
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<b>Proposed Fee:</b>	<u>\$ 30.00</u>
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<b>Current Fee:</b>	\$ 20.00
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**DESCRIPTION OF SERVICE:** Unsecured Tax Roll Delinquencies

**Legal Authority:** Revenue & Taxation Code 2922

**R & T 2922** Provides a minimum 10% penalty for delinquent unsecured taxes.

**R & T 2922 (e)** Provides that "In addition to the penalties imposed by this section, the tax collector may collect the actual costs of collection incurred by the County up to the time the delinquency is paid.

**Steps In Performing:**

1. The Treasurer - Tax Collector (TTC) mails out most unsecured bills during the months of April through July, based upon boat values, airplane values, reported value to the Assessor in Form 571L, and possessory interest values.
2. The tax is due upon creation of the bill. The taxpayer must be given at least 30 days to pay a bill. The majority of unsecured taxes become delinquent on August 31, but some bills are delinquent September 30, October 31, November 30, and December 31. A ten percent late penalty is added when a bill becomes delinquent.
3. In early September, after all August 31 payments have been processed, delinquency notices are created and mailed for the unpaid bills.
4. The TTC collector determines what action(s) are necessary to take to collect. This may include phoning the taxpayer to determine why payment was not made, written correspondence, and field visits.
5. If payment is not received, the TTC collector may initiate collection action. A common collection action is preparing and recording a lien with the County Recorder in this and other counties. The lien is filed in the name of the Assessee, and is against the individuals/entity owning or controlling the property on the lien date. The lien must be filed within three years of the delinquent date, and is good for ten years. A lien may be renewed twice. Additional collection activities include field contacts and seizure of assets.
6. Throughout the year, the collectors continue to work on collecting any remaining delinquencies. Multiple years are combined for efficiency.

**Volume:** 2500

**Cost to Perform:**

Proposed 08-09 Unsecured Tax Collection Expenditures

Direct Expenditures

Salaries & Benefits: \$202,129.00

Services & Supplies: \$ 16,468.00

Other Charges: \$ 3,191.00

Total Before Overhead \$221,788.00

Plus: Indirect Expenditures (Salaries & Benefits 60 %) 121,277.40

Total Projected 08-09 Expenditures \$343,065.40

Total for Delinquencies (90%) \$308,758.86

**Cost per Unsecured Delinquency \*** \$ 123.50

**Proposed Fee:** \$ 50.00

**Current Fee:** \$35.00

\* The cost per unsecured delinquency includes unsecured collection activity that will not result in a payment.

**DESCRIPTION OF SERVICE:** Installment Payments of Delinquent Taxes

**Legal Authority:** Revenue & Taxation Code 4217 - 4222

**R & T 4217 - 4222** Provides that any person may elect to pay delinquent taxes in installments. A fee for payment in installments to the tax collector may be established by ordinance of the Board of Supervisors Provides that any person may elect to pay delinquent taxes in installments and precludes initiating an installment plan on property that is subject to sale, or if five or more years have elapsed since tax default.

**Steps in Performing:**

1. TTC creates and mails to taxpayer a reminder notice prior to the end of the fiscal year with information regarding the liability.
2. Secured and/or supplemental property taxes become delinquent on July 1.
3. If an installment plan is desired the taxpayer is encouraged to come to the tax collector's (TTC) office to set up the plan (fill out paperwork, TTC fully explains, etc). If taxpayer is unable to come to the TTC office the paperwork is mailed to them (Installment Plan Of Redemption Agreement).
4. Taxpayer returns the completed Agreement form along with the first 20% installment (5 payments over a 4 Year Agreement period, but the taxpayer may accelerate payment.)
5. Annually, in February, the Notice of Postponement Plan Payment Due is printed for each taxpayer. The Notice is prepared by the TTC IT with information merged from the mainframe.
6. The TTC Operations Manager and Supervisor review the Notices for accuracy prior to mailing each year.
7. The Notices, upon completion of review, are prepared for mailing to the taxpayers. Upon receipt taxpayers often phone the TTC with questions.
8. If future payments are not paid timely the taxpayer defaults and the Installment Agreement is no longer valid.
9. Upon default of an installment plan, the remaining tax outstanding and penalties and interest are recomputed.

**Volume:** 100 Average active plans at any given time  
100 New plans each year

1.5 Hours average staff time from initiation to receipt of a signed Agreement and first payment  
30 Hours annual review by TTC Operations Manager  
4 Hours annual review by TTC Operations Supervisor  
2 Hour annual preparation of notices for mailing

**Cost to Perform:**

Proposed 08-09 Installment Plan Expenditures

<u>Direct Salaries &amp; Benefits</u>		<u>Installment Plans</u>	
		<u>New</u>	<u>Ongoing</u>
TTC Operations Manager	\$ 134,211.00	\$ 4,839.34	\$ 2,000.26
TTC Operations Supervisor	106,818	\$ 3,851.61	\$ 256.77
Annual Salaries & Benefits	<u>\$ 241,029.00</u>	<u>\$ 8,690.95</u>	<u>\$ 2,257.03</u>
Plus: Indirect Expenditures (60%)		5,214.57	1,354.22
Total Projected 08-09 Expenditures		<u>\$ 13,905.52</u>	<u>\$ 3,611.25</u>
Cost per Installment Plan		<u>\$ 139.06</u>	<u>\$ 36.11</u>
<b>Total Cost Per Installment Plan</b>	<u>\$ 175.17</u>		
<b>Proposed Fee:</b>	<u>\$ 175.00</u>		
<b>Current Fee:</b>	\$100.00		

**DESCRIPTION OF SERVICE:** The process of determining and collecting the security deposit for sub-dividing a single parcel into multiple parcels, combining multiple parcels into one, or adjusting the lot line.

**Legal Authority:** Government Code 66018, 54985

**GC 54985** Provides that a County Board of Supervisors shall have the authority to increase or decrease a fee or charge, that is otherwise authorized to be levied by another provision of law, in the amount reasonably necessary to recover the cost of providing any product or service or the cost of enforcing any regulation for which the fee or charge is levied.

**GC 66018** Provides that prior to adopting an ordinance increasing a new fee a public hearing shall be held. This applies only to the adopting or increasing of fees to which a specific statutory notice requirement other than Sec. 54954.2, does not apply.

**Steps in Performing:**

1. The TTC reviews the submitted application for completeness and verifies that it is correct.
2. The TTC determines if all property taxes are current and completes the TTC section of the "Subdivision - Lot Line Adjustments" form.
3. The TTC will prepare a request letter to be sent to the Assessor.
4. When the Assessor and the Auditor have completed their portions of the "Subdivision - Lot Line Adjustments" form the TTC prepares a letter requesting the applicant to post a bond with the Clerk of the Board.
5. In October the tax bills are printed. If authorized by the taxpayer, funds are requested from the Clerk of the Board to pay the property taxes when due on the parcels. If not authorized, the TTC monitors the parcels to verify payment is made. If unpaid by the end of the fiscal year the TTC requests the funds from the COB. Any remaining funds are refunded to the taxpayer. Amounts owed above the funds held by the Clerk of the Board are paid by the taxpayer.

**Volume:** 120

**Cost to Perform:**

Proposed 08-09 Parcel Split/Lot Line Adjustment Plan Expenditures

Direct Salaries & Benefits

TTC Operations Manager	\$ 134,211.00	\$ 2,580.98	40 hours
TTC Operations Specialist Sr.	85,937.00	5,784.22	140 hours
Annual Salaries & Benefits	<u>\$ 220,148.00</u>	<u>\$ 8,365.20</u>	

Plus: Indirect Expenditures (60%) 5,019.12

Total Projected 08-09 Expenditures \$ 13,384.32

**Cost per Parcel Split/Combination or Lot Line Adjustment** \$ 111.54

**Proposed Fee:** \$ 110.00

**Current Fee:** \$90.00