

**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:** 1/30/04  
**Department Name:** Auditor-Controller  
**Department No.:** 061  
**Agenda Date:** 02/17/2004  
**Placement:** Administrative  
**Estimate Time:**  
**Continued Item:** NO  
**If Yes, date from:**

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**TO:** Board of Supervisors

**FROM:** Robert W. Geis, CPA  
Auditor-Controller

**STAFF CONTACT:** Michael Struven (Ext 2134)  
Chief, Financial Reporting, Budget and Cost

**SUBJECT:** PROPERTY TAX ADMINISTRATION FEE

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**Recommendation(s):**

That the Board of Supervisors:

- A. Receive and file report prepared by the Santa Barbara County Auditor-Controller establishing the 2003-04 Property Tax Administration Fees (Exhibits I through IV).
- B. Set a hearing on March 09, 2004 for adoption of the resolution to impose the fee pursuant to Revenue and Taxation Code Section 95.3.

**Alignment with Board Strategic Plan:**

The recommendation(s) are primarily aligned with actions required by law or by routine business necessity.

**Executive Summary and Discussion:**

Senate Bill 2557 (1990) as modified by Senate Bills 188 (1991), 1559 (1992), and Assembly Bill 1055 (1996) authorizes the County Auditor to annually determine property tax administration costs proportionately attributable to cities and special districts, and to charge each entity its proportion of costs as Property Tax Administration Fees. The Auditor is directed to withhold property tax from each entity as payment of the fee.

Collection of the Property Tax Administration Fees will provide \$1,552,291 in General Fund cost reimbursement. This represents about 19.89915% of the total costs of property tax administration. The General Fund cost of \$1,535,211, School Districts costs of \$3,605,618, and the Education Revenue Augmentation Fund costs of \$998,041 are exempted from collection. 1/4 of 1% collection fees for special districts in the amount of \$306,381 have also been exempted from the calculation.

The costs of tax administration and the allocation of the property tax administration fees to the various taxing entities, including revenue adjustments by tax year are shown in Exhibits I through IV. The calculation is prepared in accordance with the guidelines issued by the California Accounting Standards and Procedures Committee, which represents county auditors. It is requested that your Board set a hearing date of March 09, 2004 and, if appropriate, adopts the [2003-04 Property Tax Administration Fee](#) for each entity to be charged.

The total net property tax administration costs [increased \\$706,636](#) from the prior year. The collectable portion of the fee [increased \\$146,381](#). The major contributing factor to the overall [increase](#) in total nets costs was a [\\$664,134 increase](#) in the Assessor's costs. The Assessor's office costs increase was due mainly to an increase in salary costs, computer upgrades, and an increase in liability insurance costs. The Assessor's increased costs were partially offset by an increase in fees collected for Supplemental Owner Billings. The State AB818 program augments the property tax administration budgets by funding efforts to reduce work backlogs, assessment appeals, and system modernization. The law specifically excludes the AB818 program revenues as offsets in the fee calculation so that cities and districts share in these costs. The theory is that these efforts will result in revenue increases for all taxing agencies.

**Mandates and Service Levels:**

No change in programs or service level.

**Fiscal and Facilities Impacts:**

Collection of the Property Tax Administration Fees will provide [\\$1,552,291](#) in General Fund cost reimbursement. This represents about [19.89915%](#) of the total costs of property tax administration. The General Fund cost of [\\$1,535,211](#) School Districts costs of [\\$3,605,618](#) and the Education Revenue Augmentation Fund costs of [\\$998,041](#) are exempted from collection.

**Special Instructions:** None

**Concurrence:**

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

RESOLUTION NO. \_\_\_\_\_

WHEREAS, Section 95.3 of the Revenue and Taxation Code provides for the recovery by the County of its actual costs of assessing, collecting, and allocating property taxes, including applicable administrative overhead costs as permitted by Federal Circular A-87 standards, from all public agencies, except schools, in proportion to the property tax proceeds received by each public agency; and,

WHEREAS, the allocation of property tax administrative costs shall not exceed the actual County costs of assessing, collecting, and allocating property taxes, including applicable administrative overhead costs as permitted by Federal Circular A-87 standards; and,

WHEREAS, the recovery of such County property tax administration costs during the 2003-04 fiscal year is to be based on a determination by the County Auditor-Controller of the County's property tax administrative costs for the 2002-03 fiscal year, and an allocation of such costs among public agencies, pursuant to Section 95.3 of the Revenue and Taxation Code; and,

WHEREAS, this Board has conducted a noticed public hearing at which time it received and considered evidence relative to the establishment of such a charge; and,

WHEREAS, this Board finds that it is appropriate to impose a fee as authorized by Section 95.3 of the Revenue and Taxation Code, and that the fee established by this Resolution does not exceed the actual County costs of assessing, collecting, and allocating property taxes;

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Barbara as follows:

1. In accordance with the attached report, a property tax administration fee is hereby imposed, that does not exceed the actual administrative costs, including applicable overhead costs as permitted by Federal Circular A-87 standards, incurred in assessing, collecting, and allocating property taxes.
2. The fee is imposed upon each city and special district in FY 2003-04 based upon FY 2002-03 costs.

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PASSED, APPROVED, AND ADOPTED by the Board of Supervisors of the County of Santa Barbara,  
State of California, this \_\_\_\_ day of **March 2004** by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:  
Michael Brown  
Clerk of the Board

BY: \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
Stephen Shane Stark  
County Counsel

APPROVED AS TO ACCOUNTING FORM:  
Robert W. Geis, CPA  
Auditor-Controller

BY: \_\_\_\_\_  
Deputy County Counsel

BY: \_\_\_\_\_  
Auditor-Controller