



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: Treasurer - Tax
Collector
Department No.: 065
For Agenda Of: 11/8/11
Placement: Departmental
Estimated Tme: 10 minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Harry E. Hagen, CPA, CPFO, CPFIM, Treasurer - Tax Collector -
Director(s) Public Administrator
568-2490
Contact Info: Clinton P. Donati, Assistant Treasurer-Tax Collector - Public
Administrator
568-2925
SUBJECT: Report on Secured Property Tax Collections

County Counsel Concurrence

As to form: N/A

Other Concurrence: N/A

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors:

- A) Receive the presentation on the Tax Collector's secured tax billing and collection practices.

Summary Text:

In October 2011 the Tax Collector completed our annual mailing of secured property tax statements. The 2011-2012 mailing consisted of 120,375 secured property tax statements totaling over \$665.2 million. Annual secured property taxes are due in two installments. The first installment is due November 1, 2011, and delinquent if not paid by December 12, 2011 at 5:00 PM. The second installment is due February 1, 2012, and delinquent if not paid by April 10, 2012 at 5:00 PM.

Secured property taxes unpaid at the end of the fiscal year transfer to the redemption roll. California law allows for a five year redemption period, during which delinquent taxpayers may elect for an installment plan of redemption. If the installments, interest, and current tax payments are made timely, then the payment period may continue for an additional four fiscal years.

The amount of delinquent taxes on the redemption roll at the beginning of 2011-12 was \$23.3 million. Property owners are noticed on the annual tax statement if there is a redemption tax delinquency. Annually in June the Tax Collector mails reminder notices to the address on the tax roll of the current amount due for all secured tax delinquencies. Additionally pursuant to the Revenue & Taxation Code, in September a delinquent list is published of all parcels that went delinquent the prior fiscal year and remain unpaid.

The Tax Collector is currently collecting on 35 parcels that have been recorded in a power-to-sell status by this office. Copies of the recorded power-to-sell notices were mailed to the owners of record. The Tax Collector is contacting property owners, trust deed holders, and other parties of interest by phone, certified mail, and in person. The goal of the Tax Collector is to collect the property taxes without having to auction these properties. The Tax Collector will continue the extensive contact required to collect, and only after exhausting all other collection remedies, sell the remaining tax defaulted parcels at public auction in 2012.

Background:

Tax delinquencies increased after the downturn in the housing market. The number of delinquent parcels the Tax Collector was required to advertise increased from 2006-07 through 2009-10, and the redemption collections have increased accordingly. In September 2010 this office published 759 tax delinquent parcels, and the number in our September 2011 newspaper advertisement decreased to 418 parcels. The percentage of timely payments increased during the 2010-2011 fiscal year.

Performance Measure:

To ensure the financial stability of the County, print and mail 100% of the annual secured property tax statements (approximately 120,000) prior to the November 1 statutory deadline in conformance with Revenue & Taxation Code Section 2610.5. Accomplished.

Fiscal and Facilities Impacts: Property taxes are a significant funding source for the County of Santa Barbara, cities, schools, and special districts. The Tax Collector initiates actions to collect per the California Revenue & Taxation Code, including mailing annual reminder notices in June to delinquent taxpayers, placing newspaper advertisements each June and September, and auctioning tax defaulted parcels when necessary.

Budgeted: Yes

Fiscal Analysis: The Tax Collector is currently taking collection action to recover \$1.7 million through the tax sale process. For 2009-10 Santa Barbara County had a collection percentage of 97.5%, and a collection percentage of 98.4% for 2010-11. The tax delinquent parcels on the redemption roll currently total \$23.3 million.

Attachments:

1. PowerPoint Presentation.

Authored by:

Clinton Donati, Assistant Treasurer-Tax Collector-Public Administrator