



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: July 13, 2010
Placement: Administrative
Estimated Tme: 0
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Head: Robert W. Geis, CPA
Auditor-Controller
Contact Info: Ed Price, CPA
Division Chief, x 2181
SUBJECT: Additional Entity (City of Lompoc) Opting into the Alternative Property Tax Distribution Method (TEETER Plan)

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: Select_Concurrence

Recommended Actions:

That the Board of Supervisors:

Adopt the attached resolution permitting an additional taxing entity (City of Lompoc) to opt into the Alternative Property Tax Distribution Procedures (referred to as the "Teeter" plan) as permitted by the California Revenue and Taxation Code section 4701 et seq.

Summary Text:

Your Board opted to implement the TEETER plan in FY 93-94. All agencies governed by the Board of Supervisors and all school and community college districts were automatically included under this method. Revenue and Taxation Code Section 4715 provides that entities which do not use the County Treasury as their depository may participate in the TEETER plan by resolution of their governing board. This resolution must be adopted by July 15th of the fiscal year in which the procedures is to apply to such entity.

The attached resolution authorizes the City of Lompoc, an entity not previously included, to participate provided their governing board has adopted a resolution by the July 15th deadline. Copies of their resolution will be on file with the Auditor-Controller.

Background:

The Teeter Plan

First enacted in 1949, the Teeter Plan provides California Counties with an optional alternative method for allocating delinquent property tax revenues. The plan allows counties to allocate, secured, utility, assessments and supplemental taxes to jurisdictions at 100% of the billed amount rather than allocation of actual tax collections. The plan allows counties to finance the property tax receipts for local agencies by borrowing money to advance cash to each taxing jurisdiction in an amount equal to the current year's delinquent property taxes. In exchange, the counties receive the penalties and interest on the delinquent taxes when collected.

Another way to look at this concept is that the County apportions to participating taxing entities (County, Cities, Schools and Special Districts) 100% of the property tax levy for the fiscal year, with the County owning any delinquent property taxes receivable. The County finances the buy-out of the receivables and then receives associated penalties and interest when collected.

Teeter Plan Participation

Within Santa Barbara County there are 94 entities that receive allocations of property taxes. They include the County General Fund, 19 County Dependent Special Districts, 8 Cities, 10 Redevelopment Agencies, 30 Independent Special Districts, 24 School Districts, the County School Service Fund and the County Educational Revenue Augmentation Fund. As of FY 2009-10 only five small entities (two cities and three independent special districts) do not participate in the Teeter Plan.

One city has now opted to enter the plan commencing FY 2010-11, leaving four entities remaining outside the Teeter plan.

Fiscal and Facilities Impacts:

This action should result in a small amount (less than \$10,000) of additional revenue in department 991. No additional costs are anticipated.

Staffing Impacts:

No staffing impact is associated with this action.

Special Instructions:

Please have the Clerk of the Board provide a certified copy of the adopted board resolution to the Auditor-Controller.

Attachments:

Board Resolution

Authored by:

Ed Price