

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: 3/31/05
Department Name: Auditor-Controller
Department No.: 061
Agenda Date: 4/12/05
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

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

Recommendation(s):

That the Board of Supervisors:

- A. Receive and file report prepared by the Santa Barbara County Auditor-Controller establishing the 2004-05 Property Tax Administration Fees (Exhibits I through IV).
- B. Adopt 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 \$1,582,228 in General Fund cost reimbursement. This represents about 18.66% of the total costs of property tax administration. The General Fund cost of \$1,595,358, School Districts costs of \$3,920,860 and the Education Revenue Augmentation Fund= costs of \$1,264,285 are exempted from collection. 1/4 of 1% collection fees for special districts in the amount of \$116,318 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.

Mandates and Service Levels:

No change in programs or service level.

Fiscal and Facilities Impacts:

Collection of the Property Tax Administration Fees will provide \$1,582,228 in General Fund cost reimbursement. This represents about 18.66% of the total costs of property tax administration. The General Fund cost of \$1,595,358, School Districts costs of \$3,920,860 and the Education Revenue Augmentation Fund costs of \$1,264,285 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 2004-05 fiscal year is to be based on a determination by the County Auditor-Controller of the County's property tax administrative costs for the 2003-04 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 2004-05 based upon FY 2003-04 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 [April 2005](#) 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