



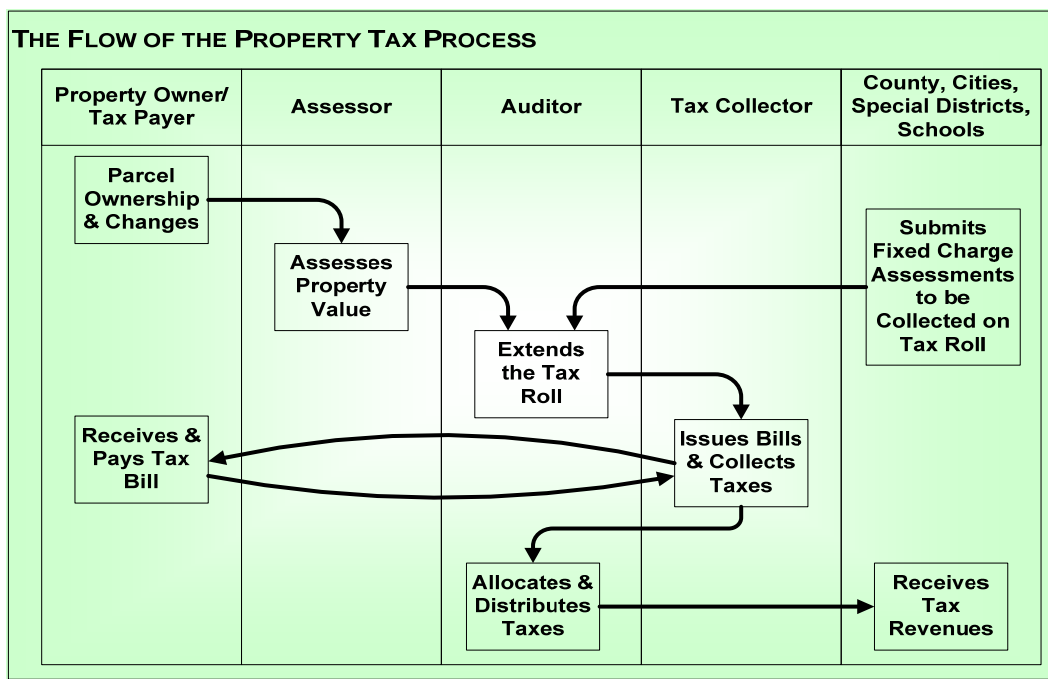
Property Tax Highlights

County of Santa Barbara

Fiscal Year July 1, 2013 to June 30, 2014

PROPERTY TAX PROCESS

Today California schools, counties, cities and special districts depend on property taxes as a primary source of discretionary revenue. Property taxes raised \$632 million for local governments within the boundaries of Santa Barbara County during fiscal year 2012-13 and is expected to generate \$651 million for fiscal year 2013-14. The *Property Tax Highlights* is intended to provide an overview of the property tax process in Santa Barbara County. It includes highlights of current results and a broad description of how property taxes are generated from the taxpayers and distributed to local government agencies. Please visit our website located at www.co.santa-barbara.ca.us/auditor to view or download copies of The *Property Tax Highlights* and our other publications.



The Proposition 13 property tax initiative approved overwhelmingly by California voters in 1978 is the basis for the current tax process. Proposition 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds. It limits property tax increases to a maximum of 2% per year on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel.

Since the passage of Proposition 13, the California legislature and the voters have continually altered, interpreted, and implemented changes in the property tax laws. We hope this publication helps to explain some of the complexities of Proposition 13 and subsequent statutes that govern the property tax process. We welcome your comments and questions which can be emailed to us at auditorpropertytax@co.santa-barbara.ca.us.

THREE ELECTED COUNTY OFFICIALS PROVIDE MANY OF THE CHECKS AND BALANCES THAT GOVERN THIS TAX PROCESS

Joseph E. Holland, CPFO
County Clerk, Recorder and Assessor
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<http://sbcassessor.com>

Robert W. Geis CPA, CPFO
Auditor-Controller
(805) 568-2181
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Harry E. Hagen, CPA, CPFO
Treasurer Tax-Collector
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<http://sbtaxes.org>

PARCEL OWNERSHIP AND TAXPAYERS

Annually, taxable property is assessed (valued) as of January 1st (the lien date) to generate tax revenue for the fiscal year that begins the following July 1st. The assessed value for most property is the prior year's assessed value adjusted for inflation up to 2%. However, if there has been a change in ownership the new assessed value will be the market value of the property that changed ownership. Additionally, any new construction value is also added to the property's prior base values.

The owners of property in Santa Barbara County are responsible for the timely payments of taxes. Those who pay late are subject to penalties which can be significant.

On the lien date taxes are levied and become a lien on both real and personal property. The term "secured" refers to taxes that are assessed against real property (e.g., land or structures). The tax bill creates a lien that is "secured" by the land/structure even though no document is officially recorded. This means that if the tax remains unpaid after a period of five (5) years, the property may be sold to cover the taxes owed. The term "unsecured" refers to property that can be relocated and is not real estate, such as business equipment, equipment, fixtures, boats, or airplanes. If the unsecured tax is not paid, collection actions can include seizure of the property, filing of judgments against the owner in Superior Court, and/or filing a lien on the owner with the County Recorder.

Principal Taxpayers 2013-14

(Secured, Unitary and Unsecured)

	Type of Property	Assessed Value	% of Total Assessed Value
Venoco, Inc	Petroleum & Gas	\$ 428,594,757	0.65%
Southern California Edison Co.	Utility	292,984,376	0.45%
Exxon Corporation	Petroleum & Gas	278,671,790	0.42%
Breitbart Energy Holdings, LLC	Petroleum & Gas	278,023,740	0.42%
Southern California Gas Company	Utility	180,086,194	0.27%
United Launch Alliance LLC	Aerospace	176,038,379	0.27%
1260 BB Property, LLC (Biltmore)	Hotel	175,000,000	0.27%
Fairway BB Property, LLC	Residential Estate	156,591,338	0.24%
Pacific Gas & Electric Co.	Utility	132,161,871	0.20%
Celite Corporation	Mining	116,020,191	0.18%
Total Top 10 Principal Taxpayers		<u>\$ 2,214,172,636</u>	<u>3.37%</u>

The top ten taxpayers make up only 3% of total valuation. This is an indicator that the County has a diversified tax base.

The County has 129,117 secured parcels that include both residential (homes, condos and apartments) and non-residential (businesses, hotels, retail, etc.) property. Utilities and railroads are valued across multiple parcels. Business personal property (machinery and equipment) is taxable where it has established "permanent status"; while vessels (boats) are assessed where moored and general aircraft are taxed at the location of the airport. Fleets of commercial and fractionally-owned aircraft using Santa Barbara airports are taxed based on their flight activity in California. There are about 15,000 business properties within the County.

Under Prop 13 similar properties can have substantially different assessed values based on the date of purchase.

ASSESSOR VALUES PROPERTY

The primary responsibility of the County Assessor is to discover, describe, value and assess all taxable property so that each owner is assured of paying the proper amount of property tax for the support of local government. The main categories of taxable property include real property, business personal property, vessels and aircraft.

The Secured Tax roll is comprised of real property which is defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines. Business personal property (items such as machinery, equipment, office tools and supplies), vessels and aircraft are included on the Unsecured roll. It is important to note that there are numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain qualified taxpayers from the burden of paying property taxes.

Assessed value is determined and enrolled to the owner as of January 1st, which is the tax lien date. As an example, change in ownership (sales) and new construction (captured from permits and on-site reviews) during the prior calendar year 2012 are valued and enrolled as of January 1, 2013.

The inflation adjustment (the lower of 2% or CPI) is applied along with exemptions and other appraisable events. The value of \$66.0 billion as of January 1, 2013 is then taxed to provide funding for local governments for the fiscal year July 1, 2013 to June 30, 2014.

Other significant processes include:

- ◆ A Supplemental roll places tax changes into immediate effect on the date of transfer or the new construction completion date rather than waiting for the next lien date; resulting in the capture of tax for a portion of the current fiscal year.
- ◆ A Unitary roll contains properties such as railroads and utilities crossing the county and is valued by the State Board of Equalization.
- ◆ An assessment appeals process allows taxpayer to dispute values through administrative and judicial processes.

Taxpayers can also benefit from these other valuable property tax programs:

- Homeowners Exemption
- Reappraisal Exclusion for Citizens 55 and Over or Disabled (Prop 60)
- Parent/Child Exclusion (Prop 58)
- Grandparent/Grandchild Exclusion (Prop 193)
- Disaster Relief
- Disabled Veterans Exemption
- Property Tax Postponement Program for Senior Citizens, Blind and/or Disabled
— Program was suspended by the State in 2009 due to State budget conditions

**For more information on the assessment process
visit the Clerk-Recorder-Assessor's Website at:**

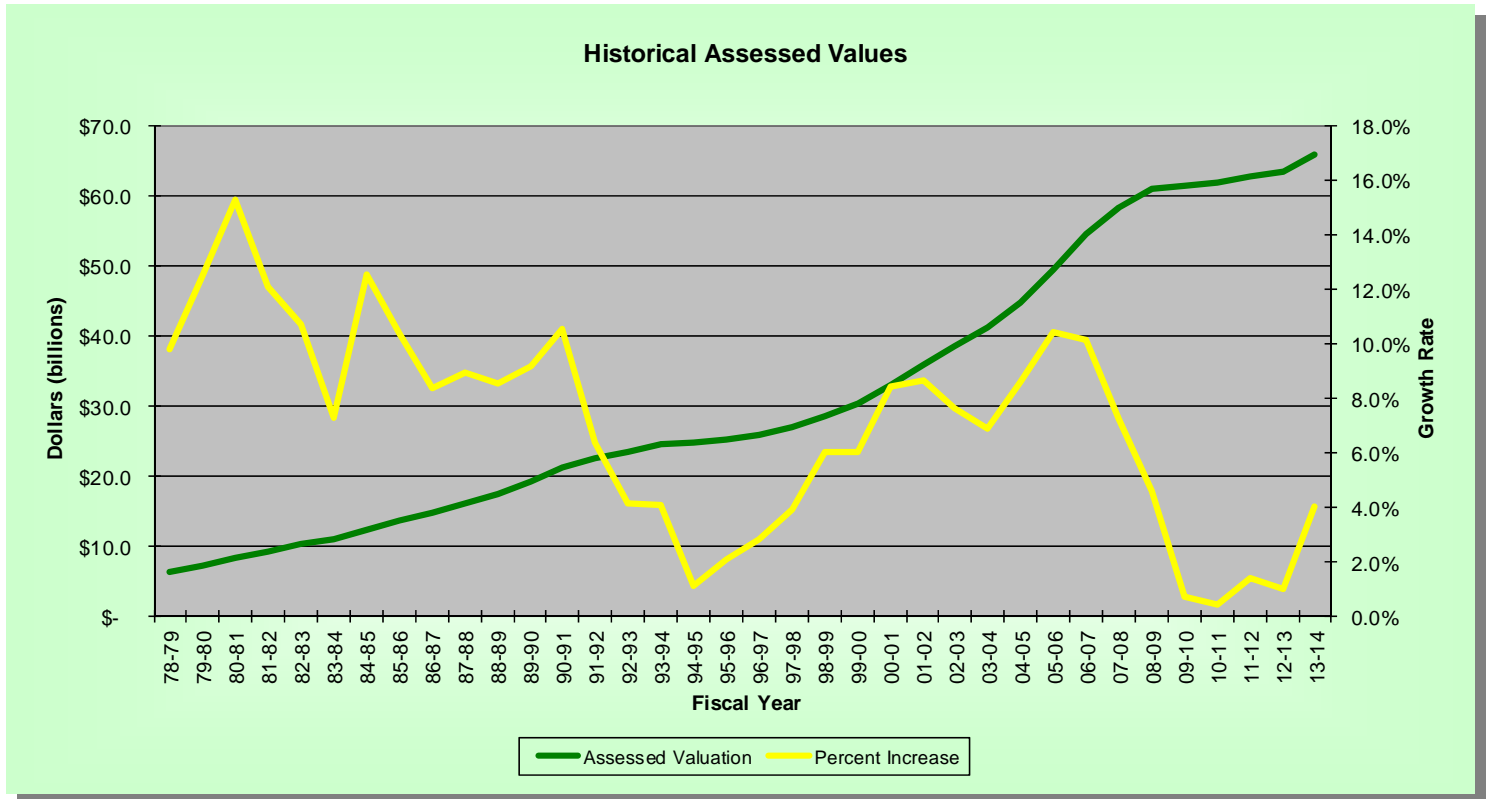
<http://sbcassessor.com>

Historical Assessed Value of Property in the County (in billions)

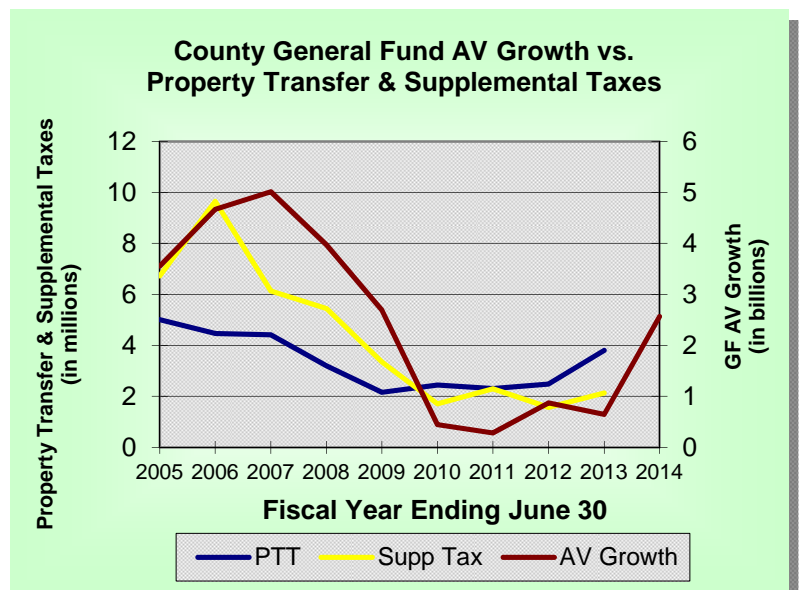
Fiscal Year	Assessed Valuation	Percent Increase
78-79	\$ 6.4	9.8%
79-80	7.2	12.5%
80-81	8.3	15.3%
81-82	9.3	12.1%
82-83	10.3	10.7%
83-84	11.1	7.3%
84-85	12.4	12.5%
85-86	13.7	10.4%
86-87	14.9	8.4%
87-88	16.2	9.0%
88-89	17.6	8.5%
89-90	19.2	9.2%
90-91	21.2	10.5%
91-92	22.6	6.4%
92-93	23.5	4.1%
93-94	24.5	4.1%
94-95	24.8	1.2%
95-96	25.3	2.1%
96-97	26.0	2.8%
97-98	27.1	3.9%
98-99	28.7	6.0%
99-00	30.4	6.0%
00-01	33.0	8.4%
01-02	35.9	8.7%
02-03	38.6	7.6%
03-04	41.3	6.9%
04-05	44.8	8.6%
05-06	49.5	10.4%
06-07	54.5	10.2%
07-08	58.5	7.2%
08-09	61.2	4.6%
09-10	61.6	0.7%
10-11	61.9	0.5%
11-12	62.8	1.4%
12-13	63.4	1.0%
13-14	66.0	4.0%

ASSESSOR VALUES PROPERTY

Over the past 35 years the countywide assessed values have continued to steadily grow as seen by the green line in the graph below. Since Proposition 13, the total county assessed valuation has increased more than ten-fold from \$6.4 billion to \$66.0 billion. The growth rates on an annual basis as shown by the yellow line are much more volatile reflecting the local real estate economy.



The leading indicators of property tax growth are property transfer tax and supplemental property tax growth. After record highs just a few years ago followed by the low points of the recession these indicators appear to begin trending upward. Consistent with these leading indicators countywide property tax growth for 2013-14 increased to 4% well over the 1% growth experienced in the prior year. Looking forward it is anticipated that property tax growth will continue to be in the 3% to 4% range for 2014-15.



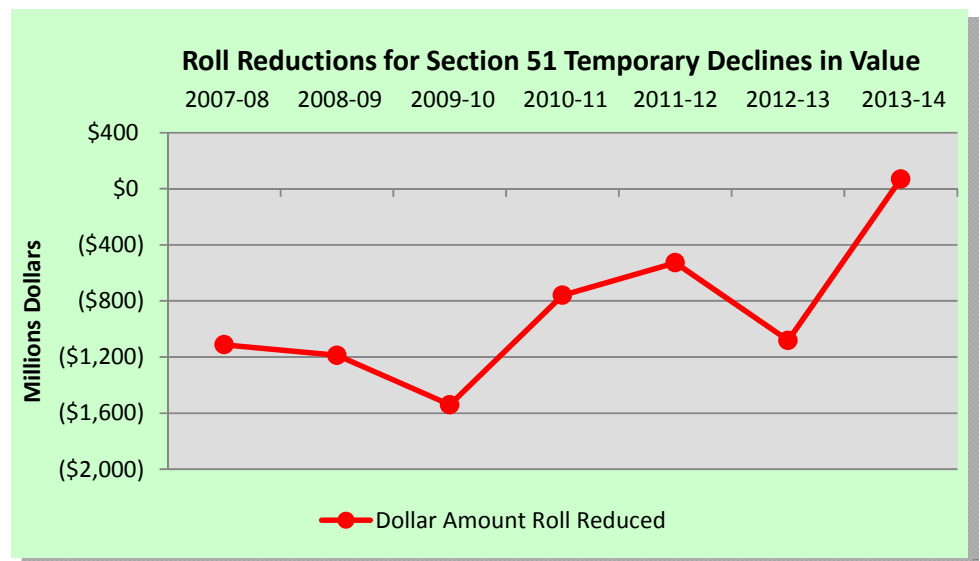
ASSESSOR VALUES PROPERTY

Proposition 8, passed in November 1978, amended Proposition 13 to recognize declines in value for property tax purposes. As a result, Revenue & Taxation Code Section 51 requires the Assessor to annually enroll either a property's Proposition 13 base year value factored for inflation, or its market value as of January 1st, whichever is less.

Decline in market value, Section 51 assessments, are TEMPORARY reductions that recognize the fact that the current market value as of the January 1st lien date of a property has fallen below its current Proposition 13 factored value.

Once a Section 51 reduced value has been enrolled, that property's value must be reviewed each year as of January 1, to determine whether its current market value is less than its Proposition 13 factored value. Section 51 values can change from year-to-year as the market fluctuates. When the market value of the Section 51 property increases above its Proposition 13 factored value, the Assessor will once again enroll its Proposition 13 factored value. In no case may a value higher than a property's Proposition 13 factored value be enrolled. Properties enrolled under Section 51 provisions are not subject to the 2% annual increase limitation that applies to those enrolled under Proposition 13 provisions.

In 2013-14 the Assessor continued to review parcels for Section 51 requirements and was able increase the assessments on properties under this program. As can be seen on the chart to the right this is the first time since the recession that this category actually increased rather than reduced the roll.



Local Secured Roll Growth By Category

	Value	Growth Pct
2012-13 Net Local Secured Roll Values	59,374,582,983	
Proposition 13 Inflation Adjustment	883,403,469	1.5%
Property Ownership Changes	809,568,313	1.4%
New Construction	324,082,469	0.5%
Non-Proposition 13 Value Change	479,475,805	0.8%
Other	(7,039,708)	0.0%
Section 51 Temporary Declines	69,967,156	0.1%
2013-14 Net Local Secured Roll Values	61,934,040,487	4.3%

The table to the left shows roll growth classified by major categories as allowed by Proposition 13 and related legislation.

The Prop 13 Inflation Factor and Ownership changes account the majority of this year's roll increase. Also notable this year is that the Section 51 category actually added some value to the roll.

The Non-Proposition 13 Value Adjustments are for properties not subject to Proposition 13 valuation rules such as agriculture preserve and mineral/oil properties.

AUDITOR-CONTROLLER DISTRIBUTES PROPERTY TAXES

After collection the Tax Collector forwards the taxes to the Auditor for apportionment and distribution to all eligible jurisdictions in the County. The law requires the County Auditor to allocate the revenue in accordance with specified formulas and procedures as explained on page 10.

County of Santa Barbara
Summary of Fiscal Year 2013-14 Incremental Growth and Property Tax Allocation by Fund

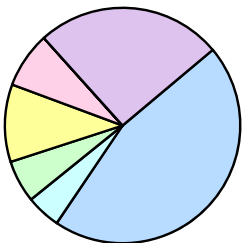
For Secured and Unsecured Property Taxes (including Homeowner Subventions) Excluding Unitary and Aircraft

FUND NO	TAXING AGENCY	PRIOR YEAR ALLOCATION NET OF RDAS	CURRENT YEAR ALLOCATION NET OF RDAS	CURRENT YEAR INCREMENTAL GROWTH \$	CURRENT YEAR INCREMENTAL GROWTH %	MVLF SWAP & TRIPLE FLIP (SB1096)	CURRENT YEAR ALLOCATION NET OF SB1096	PCT OF TOTAL
0001	COUNTY GENERAL FUND	\$ 115,312,722	\$ 119,155,516	\$ 3,842,794	3.33%	\$ 47,035,427	\$ 166,190,943	25.5%
DEPENDENT SPECIAL DISTRICTS								
2120	COUNTY SERVICE AREA #3	\$ 737,421	\$ 760,350	\$ 22,929	3.11%	\$ -	\$ 760,350	0.1%
2130	COUNTY SERVICE AREA #4	31,510	32,228	718	2.28%	-	32,228	0.0%
2140	COUNTY SERVICE AREA #5	90,831	92,830	1,999	2.20%	-	92,830	0.0%
2170	COUNTY SERVICE AREA #11	37,153	38,545	1,392	3.75%	-	38,545	0.0%
2220	COUNTY SERVICE AREA #31	14,811	12,861	(1,950)	-13.17%	-	12,861	0.0%
2280	SB COUNTY FIRE PROTECTION	35,168,657	37,756,258	2,587,601	7.36%	-	37,756,258	5.8%
2400	SB COUNTY FLOOD CONTROL/WATER CONSERV	1,701,600	1,773,112	71,512	4.20%	-	1,773,112	0.3%
2460	GUADALUPE FLOOD ZONE #3	37,484	39,953	2,469	6.59%	-	39,953	0.0%
2470	LOMPOC CITY FLOOD ZONE #2	243,031	245,278	2,247	0.92%	-	245,278	0.0%
2480	LOMPOC VALLEY FLOOD ZONE #2	162,200	170,139	7,939	4.89%	-	170,139	0.0%
2500	LOS ALAMOS FLOOD ZONE #1	68,841	71,564	2,723	3.96%	-	71,564	0.0%
2510	ORCUTT FLOOD ZONE #3	253,011	258,441	5,430	2.15%	-	258,441	0.0%
2560	SANTA MARIA FLOOD ZONE #3	744,018	762,118	18,100	2.43%	-	762,118	0.1%
2570	SM RIVER LEVEE MAINTENANCE ZONE	69,730	71,771	2,041	2.93%	-	71,771	0.0%
2590	SANTA YNEZ FLOOD ZONE #3	267,842	273,860	6,018	2.25%	-	273,860	0.0%
2610	SOUTH COAST FLOOD ZONE #2	4,791,501	5,031,464	239,963	5.01%	-	5,031,464	0.8%
2670	NORTH COUNTY LIGHTING	390,099	397,011	6,912	1.77%	-	397,011	0.1%
2700	MISSION LIGHTING DISTRICT	6,129	6,395	266	4.34%	-	6,395	0.0%
3050	SANTA BARBARA COUNTY WATER	2,195,353	2,287,316	91,963	4.19%	-	2,287,316	0.4%
TOTAL DEPENDENT SPECIAL DISTRICTS		\$ 47,011,222	\$ 50,081,494	\$ 3,070,272	6.53%	\$ -	\$ 50,081,494	7.7%
INCORPORATED CITIES								
0578	CITY OF BUELLTON	\$ 953,722	\$ 968,618	\$ 14,896	1.56%	\$ 820,896	\$ 1,789,514	0.3%
0580	CITY OF CARPINTERIA	1,547,318	1,618,546	71,228	4.60%	1,547,588	3,166,134	0.5%
0632	CITY OF GOLETA	2,265,177	2,324,092	58,915	2.60%	4,454,107	6,778,199	1.0%
0640	CITY OF GUADALUPE	129,417	130,330	913	0.71%	596,414	726,744	0.1%
0700	CITY OF LOMPOC	3,236,619	3,281,019	44,400	1.37%	3,944,105	7,225,124	1.1%
0760	CITY OF SANTA BARBARA	15,585,846	16,319,059	733,213	4.70%	13,076,406	29,395,465	4.5%
0840	CITY OF SANTA MARIA	7,582,383	7,750,674	168,291	2.22%	11,168,169	18,918,843	2.9%
0875	CITY OF SOLVANG	603,427	611,225	7,798	1.29%	684,343	1,295,568	0.2%
TOTAL INCORPORATED CITIES		\$ 31,903,909	\$ 33,003,563	\$ 1,099,654	3.45%	\$ 36,292,029	\$ 69,295,592	10.6%
RDAPROPERTY TAX TRUST FUNDS (RPTTFs)*								
0577	BUELLTON CITY	\$ 776,719	\$ 799,557	\$ 22,838	2.94%	\$ -	\$ 799,557	0.1%
0633	GOLETA CITY - OLD TOWN PROJECT	3,952,705	4,047,084	94,379	2.39%	-	4,047,084	0.6%
0685	GUADALUPE CITY	1,564,666	1,575,953	11,287	0.72%	-	1,575,953	0.2%
0725	LOMPOC OLD TOWN-AREA 1	294,563	287,450	(7,113)	-2.41%	-	287,450	0.0%
0726	LOMPOC OLD TOWN-AREA 2	2,340,728	2,286,652	(54,076)	-2.31%	-	2,286,652	0.4%
0727	LOMPOC OLD TOWN-AREA 3	36,282	50,398	14,116	38.91%	-	50,398	0.0%
0785	SANTA BARBARA CITY - CENTRAL	20,010,992	20,792,790	781,798	3.91%	-	20,792,790	3.2%
3128	SB COUNTY - ISLA VISTA PROJECT	6,829,715	7,270,566	440,851	6.45%	-	7,270,566	1.1%
4308	SANTA MARIA CITY - PROJECT IV	1,054,987	773,788	(281,199)	-26.65%	-	773,788	0.1%
TOTAL RPTTFs		\$ 36,861,357	\$ 37,884,238	\$ 1,022,881	2.77%	\$ -	\$ 37,884,238	5.8%
INDEPENDENT SPECIAL DISTRICTS								
0602	CITY OF CARP - LIGHTING #1	\$ 273,859	\$ 286,896	\$ 13,037	4.76%	\$ -	\$ 286,896	0.0%
0680	GUADALUPE CITY LIGHTING	15,707	12,688	(3,019)	-19.22%	-	12,688	0.0%
3210	SANTA MARIA PUBLIC AIRPORT	1,251,484	1,284,696	33,212	2.65%	-	1,284,696	0.2%
3260	CARPINTERIA CEMETERY	161,070	169,106	8,036	4.99%	-	169,106	0.0%
3270	GOLETA CEMETERY	397,136	418,779	21,643	5.45%	-	418,779	0.1%
3280	GUADALUPE CEMETERY	42,518	43,581	1,063	2.50%	-	43,581	0.0%
3290	LOMPOC CEMETERY	309,207	316,965	7,758	2.51%	-	316,965	0.0%
3300	LOS ALAMOS CEMETERY	14,629	15,189	560	3.83%	-	15,189	0.0%
3310	OAK HILL CEMETERY	166,809	170,282	3,473	2.08%	-	170,282	0.0%
3320	SANTA MARIA CEMETERY	592,993	607,294	14,301	2.41%	-	607,294	0.1%
3516	LOS ALAMOS COMMUNITY SERVICE	59,180	59,286	106	0.18%	-	59,286	0.0%
3566	SANTA YNEZ COMMUNITY SERVICE	142,502	145,800	3,298	2.31%	-	145,800	0.0%
3630	CARP-SUMMERLAND FIRE PROTECTION	6,906,866	7,251,608	344,742	4.99%	-	7,251,608	1.1%
3650	MONTECITO FIRE PROTECTION	13,264,816	13,948,752	683,936	5.16%	-	13,948,752	2.1%
3750	LOMPOC HOSPITAL	785,028	806,294	21,086	2.69%	-	806,294	0.1%
3817	EMBARCADERO MUNICIPAL IMPROVEMENT	205,886	214,268	8,382	4.07%	-	214,268	0.0%
4090	SANTA BARBARA METRO TRANSIT	871,606	910,486	38,880	4.46%	-	910,486	0.1%
4150	CARPINTERIA MOSQUITO ABATEMENT	110,301	116,046	5,745	5.21%	-	116,046	0.0%
4160	SANTA BARBARA COASTAL VECTOR CONTROL	226,022	239,665	13,643	6.04%	-	239,665	0.0%
4300	STOWELL PARKING/LIGHTING	22,726	22,759	33	0.15%	-	22,759	0.0%
4400	CUYAMA VALLEY RECREATION	103,295	113,325	10,030	9.71%	-	113,325	0.0%
4410	ISLA VISTA RECREATION & PARK	113,381	106,398	(6,983)	-6.16%	-	106,398	0.0%
4500	CACHUMA RESOURCE CONSERVATION	83,219	85,427	2,208	2.65%	-	85,427	0.0%
4560	CARPINTERIA SANITARY	452,327	474,023	21,696	4.80%	-	474,023	0.1%
4640	GOLETA SANITARY	117,359	121,589	4,230	3.60%	-	121,589	0.0%
4900	GOLETA WEST SANITARY	1,669,407	1,738,177	68,770	4.12%	-	1,738,177	0.3%
5100	MONTECITO SANITARY	443,879	466,841	22,962	5.17%	-	466,841	0.1%
5215	SUMMERLAND SANITARY	187,059	193,605	6,546	3.50%	-	193,605	0.0%
5700	SANTA MARIA VALLEY WATER CONSERVATION	223,496	228,423	4,927	2.20%	-	228,423	0.0%
5800	SANTA YNEZ RIVER WATER CONSERVATION	228,584	233,800	5,216	2.28%	-	233,800	0.0%
TOTAL INDEPENDENT SPECIAL DISTRICTS		\$ 29,442,531	\$ 30,802,048	\$ 1,359,517	4.62%	\$ -	\$ 30,802,048	4.7%
SCHOOL DISTRICTS								
6001	BALLARD ELEMENTARY SCHOOL†	\$ 1,390,217	\$ 1,420,888	\$ 30,671	2.21%	\$ -	\$ 1,420,888	0.2%
6101	BLOCHMAN UNION ELEMENTARY SCHOOL	351,909	370,411	18,502	5.26%	-	370,411	0.1%
6301	BUELLTON UNION ELEMENTARY SCHOOL	2,659,202	2,709,240	50,038	1.88%	-	2,709,240	0.4%
6501	COLD SPRING ELEMENTARY SCHOOL†	2,790,799	2,948,920	158,121	5.67%	-	2,948,920	0.5%
6601	COLLEGE ELEMENTARY SCHOOL†	4,046,773	4,136,509	89,736	2.22%	-	4,136,509	0.6%
6801	GOLETA UNION ELEMENTARY SCHOOL†	26,172,326	27,916,619	1,744,293	6.66%	-	27,916,619	4.3%
6901	GUADALUPE UNION ELEMENTARY SCHOOL	646,221	662,021	15,800	2.44%	-	662,021	0.1%
7001	HOPE ELEMENTARY SCHOOL†	6,866,355	7,136,550	270,195	3.94%	-	7,136,550	1.1%
7201	LOS OLIVOS ELEMENTARY SCHOOL	1,364,869	1,422,723	57,854	4.24%	-	1,422,723	0.2%
7301	MONTECITO UNION ELEMENTARY SCHOOL†	9,620,305	10,116,300	495,995	5.16%	-	10,116,300	1.6%
7401	ORCUTT UNION ELEMENTARY SCHOOL	9,638,383	9,876,742	238,359	2.47%	-	9,876,742	1.5%
7601	SANTA MARIA/BONITA ELEMENTARY SCHOOL	15,002,202	15,348,788	346,586	2.31%	-	15,348,788	2.4%
7701	SOLVANG ELEMENTARY SCHOOL	2,340,005	2,371,366	31,361	1.34%	-	2,371,366	0.4%
7801	VISTA DEL MAR ELEMENTARY SCHOOL†	1,257,781	1,236,764	(21,017)	-1.67%	-	1,236,764	0.2%
8201	SANTA BARBARA UNIFIED SCHOOL†	82,554,210	86,635,976	4,081,766	4.94%	-	86,635,976	13.3%
8301	SANTA MARIA JOINT UNION HIGH SCHOOL	22,456,751	23,042,752	586,001	2.61%	-	23,042,752	3.5%
8401	SANTA YNEZ VALLEY HIGH SCHOOL†	9,801,794	9,964,901	163,107	1.66%	-	9,964,901	1.5%
8701	CARPINTERIA UNIFIED SCHOOL†	16,362,815	17,179,135	816,320	4.99%	-	17,179,135	2.6%
8801	CUYAMA UNIFIED SCHOOL	809,723	894,951	85,228	10.53%	-	894,951	0.1%
8901	LOMPOC UNIFIED SCHOOL	12,633,194	12,945,274	312,080	2.47%	-	12,945,274	2.0%
9401	ALLAN HANCOCK COMMUNITY COLLEGE	11,702,505	11,981,987	279,482	2.39%	-	11,981,987	1.8%
9610	SANTA BARBARA COMMUNITY COLLEGE	21,809,617	22,930,440	1,120,823	5.14%	-	22,930,440	3.5%
9801	COUNTY SCHOOL SERVICE FUND	23,028,378	23,990,205	961,827	4.18%	-	23,990,205	3.7%
9802	EDUCATION REVENUE AUGMENTATION (ERAF)	79,406,595	82,569,083	3,162,488	3.98%	(83,327,456)	(758,373)	-0.1%
TOTAL SCHOOL DISTRICTS		\$ 364,712,929	\$ 379,808,545	\$ 15,095,616	4.14%	\$ (83,327,456)	\$ 296,481,089	45.6%
COUNTYWIDE TOTALS		\$ 625,244,670	\$ 650,735,404	\$ 25,490,734	4.08%	\$ -	\$ 650,735,404	100.0%

The County's General Fund allocation is \$166.2 million which reflects a permanent tax transfer of \$7.2 million to the SB County Fire Protection District.

Secured, Unsecured Property Taxes and Homeowner Subventions are expected to generate \$650.7 million for fiscal year 2013-14.

Where Do Property Taxes Go?



County General Fund	25.5%
Dependent Special Districts	7.7%
Incorporated Cities	10.6%
RPTTFs*	5.8%
Independent Special Districts	4.7%
School Districts	45.6%

The net effect of the MVLF Swap & Triple Flip is a \$83.3 million decrease in taxes allocated to the ERAF fund.

Local school districts receive an allocation of \$296.4 million. This was the same amount as last year.

Included in this allocation is \$4.0 million of Homeowner Subventions received from the State but not included are \$10.6 million of Unitary & Aircraft taxes which are required to be distributed under different formulas.

* Redevelopment Property Tax Trust Funds (RPTTFs) are trust funds established for the dissolution of redevelopment agencies under ABX1 26 (2011). Any amounts remaining in the RPTTFs after funding pass-through payments and obligations of former RDAs are returned to affected taxing agencies.
† Basic Aid School District

AUDITOR-CONTROLLER EXTENDS TAX ROLL

Once the assessed valuation is determined and enrolled by the Assessor it is delivered to the Auditor-Controller on or before July 1st. The tax roll is then extended by the Auditor by multiplying the value of each parcel by the 1% tax rate plus the amount necessary to make annual payments on bonds or other indebtedness approved by the voters to finance local facilities. The majority of outstanding bonds in the County are for school facilities.

5-Year Total Tax Levy

Fiscal Year	Amount
2009-10	684,049,214
2010-11	690,418,680
2011-12	699,621,695
2012-13	709,077,765
2013-14	741,232,340

In addition, numerous fixed charges approved by voters or permitted by legislation are added to the tax roll (examples include sewer, flood control and library assessments). This determines the legal liability per parcel and is passed on to the Tax Collector by September 30th.

2013-14 Tax Calculation

Local Secured Value	\$ 65,487,890,991
Local Unsecured Value	3,078,007,824
Unitary Value	887,853,934
Other Exemptions	(3,317,986,155)
Taxable Values	66,135,766,594
Homeowner Exemption	(399,793,300)
Net Taxable Values	\$ 65,735,973,294
1% Basic Tax Rate	x 1%
Property Tax	\$ 657,359,733
Bonds	39,287,522
Fixed Charges	44,575,022
Escaped Assessments	10,063
Total Tax Levy	\$ 741,232,340

Effective July 1, 1978 bonds require a two-thirds super majority vote and effective January 1, 2001, certain bonds for school facilities can be approved by 55% of voters.

School District Bonds

School District Bonds	Debt Authorized by Voters	Bonds			2013-14 Taxes per \$100K Assessed Value
		Amount Originally Issued	Amount Remaining to be Issued	Principal Balance Outstanding as of 6/30/2013	
District / Election					
<u>Elementary Schools</u>					
Buellton Union Elementary Bond 1992	\$ 3,365,000	\$ 3,365,000	\$ —	\$ 1,235,000	\$ 26.20
Buellton Union Elementary Bond 2004	6,500,000	6,495,887 [†]	— [†]	5,670,887 [†]	30.37
Cold Spring Elementary Bond 1996	2,900,000	2,900,000	—	2,140,000	7.90
Cold Spring Elementary Bond 2008	2,440,000	2,439,843 [†]	— [†]	2,424,543 [†]	6.60
College Elementary Bond 2004	9,370,000	9,369,846 [†]	— [†]	8,226,278 [†]	26.78
Goleta Union Elementary Bond 1996	26,000,000	26,000,000	—	18,440,000	13.83
Hope Elementary Bond 1995	6,000,000	6,000,000	—	3,980,000	6.58
Hope Elementary Bond 2010	8,000,000	2,998,947 [†]	5,001,053 [†]	2,999,860 [†]	2.25
Los Olivos Elementary Bond 1996	2,400,000	2,400,000	—	1,850,000	19.74
Los Olivos Elementary Bond 2006	4,650,000	2,600,000	2,050,000	2,495,000	30.00
Montecito Union Elementary Bond 1997	4,500,000	4,500,000	—	3,290,000	0.67
Orcutt Union Elementary Bond 1999	15,000,000	15,000,000	—	12,105,000	24.25
Orcutt (Los Alamos) 1997	2,000,000	2,000,000	—	1,510,000	25.12
Solvang Elementary Bond 2006	11,650,000	5,637,669 [†]	6,012,331 [†]	5,082,669 [†]	27.56
<u>High Schools</u>					
Santa Maria Joint High Bond 2000	30,000,000	30,000,000 [†]	— [†]	23,585,000 [†]	25.59
Santa Maria Joint High Bond 2004	79,000,000	49,998,095 [†]	29,001,905 [†]	44,548,095 [†]	19.63
<u>Unified Schools</u>					
Santa Barbara Unified - Elementary Bonds 1995	6,000,000*	6,000,000	—	3,830,000	1.88
Santa Barbara Unified - Elementary Bonds 1998	25,000,000*	25,000,000 [†]	— [†]	18,935,449 [†]	11.54
Santa Barbara Unified - Elementary Bond 2010 R	35,000,000*	34,998,229 ^{†‡}	— ^{†‡}	34,998,229 ^{†‡}	6.53
Santa Barbara Unified - High Bond 2000	67,000,000*	67,000,000 [†]	— [†]	53,439,729 [†]	12.98
Santa Barbara Unified - High Bond 2010 Q	75,000,000*	74,995,428 ^{†‡}	— ^{†‡}	74,995,428 ^{†‡}	6.97
Carpinteria Unified Bond 1995	17,500,000	17,500,000	—	12,610,000	15.68
Lompoc Unified Bond 2002	38,000,000	38,000,000 [†]	— [†]	31,355,971 [†]	78.35
<u>Community Colleges</u>					
Allan Hancock CC Bond 2006	180,000,000	143,496,556 ^{†‡}	36,503,444 ^{†‡}	130,541,200 ^{†‡}	25.00
Santa Barbara CC Bond 2008	77,242,012	57,320,000 [†]	19,922,012 [†]	59,625,000 [†]	8.50

* Unification did not include all feeder elementary schools therefore elementary debt must be kept separate from high school debt.

† Portion of debt Issued Contains Capital Appreciation Bonds or Convertible Capital Appreciation Bonds

‡ Balance reflects bonds issued (expected to be issued) subsequent to 6/30/13 included in tax rates for FY 2013-14

TREASURER-TAX COLLECTOR ISSUES BILLS & COLLECTS TAXES

The Tax Collector mails annual secured tax bills by November 1st. The bill can be paid in two installments due November 1st and delinquent after December 10th and due February 1st and delinquent after April 10th. Note that tax payments are due well into the fiscal year (July to June) for which they fund.

Supplemental tax may be billed when there is a change in ownership or when new construction is complete.

Number of Tax Bills Issued (as of 09/23/2013)

Fiscal Year	Secured	Unsecured	Supplemental	Total
2011-12	128,175	16,183	12,473	156,831
2012-13	128,553	15,740	12,826	157,119
2013-14	128,808	15,557	1,361*	145,726


* Partial Year

Delinquent Tax Payment History

as of June 30th of the Fiscal Year Due

Fiscal Year	Amount	Rate
2003-04	\$ 4,663,443	1.16%
2004-05	5,171,659	1.19%
2005-06	6,940,142	1.43%
2006-07	11,228,150	2.10%
2007-08	13,846,405	2.42%
2008-09	16,920,501	2.83%
2009-10	14,790,786	2.45%
2010-11	10,304,381	1.71%
2011-12	7,844,109	1.28%
2012-13	6,286,421	1.01%

Penalties for late payments are significant at 10% for the first installment delinquency, 10% plus \$30 for the second installment delinquency and an additional 1.5% per month beginning the following July 1st. After 5 years of taxes being delinquent property can be sold at a tax sale to pay the tax. While spiking during the recession Santa Barbara County delinquency rates are trending lower and continue to remain among the lowest in the state.



HARRY E. HAGEN, CPA
TREASURER-TAX COLLECTOR
COUNTY OF SANTA BARBARA
FEDERAL TAX ID# 95-6002833

P.O. BOX 579
SANTA BARBARA, CA 93102-0579
(805) 568-2920 SANTA BARBARA
(805) 346-8330 SANTA MARIA

2013-2014
SECURED TAX STATEMENT
FOR FISCAL YEAR JULY 1, 2013 TO JUNE 30, 2014

PARCEL NUMBER 069-484-02-00 5
ASSEESSEE ON JANUARY 1, 2013 GEIS FAMILY TRUST 3/29/12
ADDRESS OF PROPERTY

ASSESSED VALUE

LAND/MINERAL RIGHTS	267,502
IMPROVEMENTS	274,542
PERSONAL PROPERTY	
GROSS TOTAL	542,044
HOMEOWNER'S EXEMPTION	7,000
OTHER EXEMPTIONS	
NET TOTAL	535,044

CORTAC-SUBSCRIBER

TAX RATE AREA NUMBER 66-004
TAX RATE PERCENT 1.04228

PRIOR YEAR TAXES
NONE
DELINQUENT

FIRST INSTALLMENT 3,078.82
SECOND INSTALLMENT 3,078.82
TOTAL 6,157.64

TAX DISTRIBUTION BY AGENCY

BASIC PROPERTY TAXES:	
0001 PROPOSITION 13: 1% TAX	5,350.44
6851 GOLETA UNION ELEM BOND 1996	74.00
8251 SBUSD HIGH BOND 2000	69.45
8254 SBUSD HIGH BOND 2010	37.29
9621 SBCC BOND 2008	45.48
TOTAL BASIC PROP. TAXES	5,576.66
FIXED CHARGES:	
2126 CO SVC AREA 3 BENEFIT ASSMT	25.00
2127 CSA 3 LIBRARY SPECIAL TAX	22.73
2611 SO COAST FLD ZN2 BENEFIT ASSMT	23.58
4161 VECTOR MGMT DIST ASSMT-ZN1	10.04
4785 GOLETA SANITARY SERVICE CHARGE	454.63
8202 SB UNIFIED HIGH PARCEL TAX	45.00
TOTAL FIXED CHARGES AMOUNT	580.98
TOTAL TAXES	6,157.64

TAXES DUE

**You can now pay
your property
taxes online!**



**Visit the Treasurer-Tax
Collector's website for
more information:**

www.sbtaxes.org

AUDITOR-CONTROLLER DISTRIBUTES PROPERTY TAXES

After collection the Tax Collector forwards the taxes to the Auditor for apportionment and distribution to all eligible jurisdictions in the County. The law requires the County Auditor to allocate the revenue in accordance with specified formulas and procedures.

AB8 (Assembly Bill 8 of 1979-80), with many subsequent amendments, governs the complicated tax allocation process. Each tax jurisdiction (entity) was assigned a base amount of property tax determined by 1978-79 revenue. Each year the entity is then allocated an amount equal to the total received in the previous year plus a percentage of tax growth within the geographic tax area served by the entity. The law also provides for transfers of property tax base revenue when boundary changes or transfer of service responsibilities occur and are referred to as jurisdictional changes.

Adding to the complex tax allocation process, legislation (SB1096) was enacted in fiscal year 2004-05 that for only cities and the county permanently swaps Motor Vehicle License Fee revenue for Property Taxes (the "MVLFF Swap") and temporarily exchanges Sales Tax Revenues ("Triple Flip") for Property Taxes. The *Triple Flip* expires when the State's Economic Recovery Bonds are retired in approximately 15-20 years after the initial issuance in 2004. The legislation specifies that the property tax revenues necessary for the *MVLFF Swap* and *Triple Flip* are to be taken from the County Education Revenue Augmentation Fund (ERAF).

RDA Dissolution Brings New Duties to Auditor

Under RDA Dissolution substantial new duties were assigned to the Auditor-Controller. Among those is the administration of trust funds to receipt the property tax increment contributed by the Affected Taxing Entities (ATEs) that previously would have been distributed to RDAs. From these trust funds the Auditor then distributes any required pass-through payments to ATEs and moneys to the Successor Agencies to pay existing enforceable obligations (including debt) of the former RDAs. Any residual balance in the trust funds is then distributed by the Auditor back to the ATEs.

In addition the Auditor is required to distribute to the ATEs any moneys received from successor agencies representing the return of assets accumulated by the former RDA.

During Fiscal Year 2012-13 \$37.6 million of tax increment was deposited into the trust funds with \$4.8 million of pass-through payments being distributed to ATEs. After distributing \$15.0 million to successor agencies to make enforceable obligation payments, the remaining (residual) \$17.8 million was distributed back to ATEs as property tax revenues.

As also required by the legislation accumulated cash assets of the former RDAs amounting to \$26.3 million was distributed ATEs. This one-time distribution of accumulated cash assets along with the residual provided ATEs this year with \$44.1 million additional revenues that absent the Dissolution they would have not received.

For fiscal year 2013-14 the total *MVLFF Swap* was \$67.2 million and the *Triple Flip* was \$16.2 million of additional property taxes for cities and the county and a decrease of \$83.4 million of property tax revenue allocated to the ERAF.

In fiscal year 2011-12 the dissolution of Redevelopment Agencies (RDAs) was upheld by the California Supreme Court. Accordingly all RDAs were deemed dissolved with newly established Successor Agencies created to wind down each RDAs affairs and to pay off the RDAs existing debt obligations.

RDA Dissolution Distributions to Affected Taxing Entities Fiscal Year 2012-13

	Accumulated Assets	Current Year Residual
Cities	3,099,901	1,983,429
County	5,991,976	4,219,515
Special Districts	1,845,155	1,378,415
K-12 Schools	10,272,070	6,446,014
Community Colleges	1,436,829	998,146
County Office of Education	987,896	685,766
ERAF	2,628,984	2,108,360
	<u>26,262,812</u>	<u>17,819,644</u>

AUDITOR-CONTROLLER DISTRIBUTES PROPERTY TAXES

For fiscal year 2013-14 overall County property tax growth was the best in four years with countywide locally assessed property taxes increasing \$25.5 million, a 4.08% increase from the prior fiscal year. Listed on the centerfold pages 6 & 7 is a summary of the growth percentage and taxes for the various agencies that receive property tax revenue. As you will notice there are large fluctuations in growth percentages between agencies due to growth in the various geographic regions within the county.

The Property Tax revenue outlook for 2014-15 looks like it may not continue what was hoped to be an upward growth trend. Based on an analysis of the major categories of roll growth countywide property tax growth is anticipated to be in the range of 2.9% - 4.0%. (For last year's growth by category refer to the table on page 5.) This reflects our expectation that the CPI factor to be used for the Proposition 13 Inflation Adjustment will be significantly below the 2% usually experienced and provide only 0.3% roll growth rather than the 1.4% typically seen. Adding to this we are looking for continued growth in both Ownership Changes and New Construction to bring in 2.6% combined. Non-Proposition 13 Value Changes are anticipated to provide 0.4% growth. We are speculating 0.2% growth from the restoration of value for those properties in the Section 51 Temporary Declines category. This latter category is difficult to estimate and can change wildly depending on market conditions.

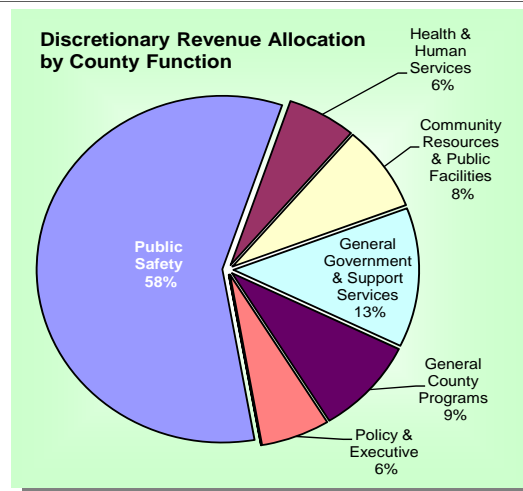
COUNTY PROPERTY TAXES

The County receives property taxes for the General Fund and four types of dependent special districts. The dependent district taxes are allocated directly to the entity to provide specific services within geographic areas. The most significant district services are fire and flood control.

County Property Tax Revenues

	Actual 2011-12	Actual 2012-13	Adopted Budget 2013-14
General Fund (Discretionary)	\$ 170,081,402	\$ 174,630,841	\$ 171,593,000
Supplemental	1,647,718	2,233,927	2,200,000
Discretionary Revenue	\$ 171,729,120	\$ 174,630,841	\$ 171,593,000
Special Districts:			
Fire	29,463,635	36,695,887	37,218,401
Flood	8,542,610	9,145,959	8,422,405
Water Agency	2,235,949	2,388,922	2,220,000
County Service Areas	951,261	983,000	986,068
Lighting	395,802	399,601	400,857
Total Property Tax Revenue	\$ 213,318,377	\$ 224,244,210	\$ 220,840,731

The General Fund property tax is the most important tax source for the County and represents about 83% of the County's discretionary revenue. This revenue source is allocated to the governmental functions shown in the pie chart. This source of tax is the historic funding for public safety. However, the state requires mandated services in health and public assistance without adequate funding that also competes for this important revenue source.



To see the details of the entities that receive and benefit from your tax dollars visit the Auditor-Controller's website:

<http://taxes.co.santa-barbara.ca.us/propertytax>

GLOSSARY OF PROPERTY TAX TERMS

APN (Assessor Parcel Number): A unique number assigned by the County Assessor identifying a property.

Ad Valorem Property Taxes: Taxes calculated upon the **assessed value** of the property; in California comprised of the 1% tax stipulated by Proposition 13, and taxes authorized by voters to pay the debt service for bonds-usually related to capital improvement such as new or improved school facilities.

Affected Taxing Entity (ATE): A taxing entity that shares territory with and contributes property tax increment to a **Successor Agency** of a dissolved RDA.

Apportionment: The distribution of property tax collections to individual **taxing jurisdictions**.

Assessed Value: The dollar value of property determined by the County Assessor or the State Board of Equalization (BOE) for the purposes of taxation.

Assessee: The owner of record on **lien date**.

Basic Aid School: A school whose property tax revenues exceeds the minimum annual State required revenue and is not eligible for distributions from **ERAF** or Supplemental tax revenues.

Education Revenue Augmentation Fund (ERAF): The fund established for the deposit of moneys deducted and transferred from the county, cities and special districts for subsequent distribution to non-**basic aid schools**.

Escaped Assessment: Assessed value not included on prior year tax bills; the additional taxes added to the current year bill that should have been billed in prior years had the omitted value been included on the original tax bill.

Exemption: A reduction in assessed value applied to a property granted for:

- **Homeowner's Exemption:** when the property is the owner's principal place of residence.
- **Other Exemptions:** a number of reasons provided by law such as nonprofit status.

Event Date: The date a **re-assessable event** occurs.

Fiscal Year: The period of July 1 through June 30.

Fixed Charge Assessments (Special Benefit Assessments): A charge in addition to any **ad valorem taxes** included on a tax bill. Fixed charges are not based on the assessed value of the property and are levied on a parcel basis.

Lien date: 12:01 a.m. January 1; the date when taxes are levied and become a lien on both real and personal property.

Net Assessed Value: Taxable amount of assessed property; derived from the total **assessed value** minus any **exemptions**.

Proposition 1A (2004): The constitutional amendment authorized by California voters that restricts the State's ability to reallocate local property taxes for the benefit of the State. Contains a provision where the reallocation probation can be suspended and limits such reallocations to no more than 8% of the prior year property tax revenues.

Redevelopment Agency (RDA): A legislative mechanism that formally allowed the county or a city to revitalize blighted areas using a portion of the general property taxes allocated to the taxing jurisdictions providing services in the redevelopment project area. **Successor Agencies** have been established to wind down the affairs of the former RDAs.

Re-Assessable Event: Changes of ownership or completion of new construction; These events usually require the property to be re-assessed and the difference between the old assessed value and the new assessed value to be reflected on the **Supplemental Tax** roll.

Secured Property Taxes: Taxes that are assessed against real property (e.g., land or structures). The tax bill creates a lien that is "secured" by the land/structure even though no document is officially recorded.

Situs Address: The physical location of a property; the address.

Successor Agency: The legal entity formed to wind down the affairs of a dissolved **Redevelopment Agency**.

Supplemental Taxes: Additional taxes stemming from a **re-assessable event**. Supplemental tax is generated when the new **net assessed value** exceeds the old net assessed value and the difference between the two values is multiplied by the tax rate and then prorated from the **event date** to the end of the fiscal year. A **Supplemental Refund** is created when the new assessed value from a re-assessable event is less than the old assessed value.

Tax Rate: The factor levied per \$100 of net assessed valuation. Tax rates are **TRA** specific.

Tax Rate Area (TRA): A geographical area comprised of a unique combination of **taxing jurisdictions**; an area over which a governmental body has authority to levy property taxes.

Tax Shift: The reallocation of taxes from one entity to another; such as the **ERAF** Shift where property taxes are transferred from the county, cities and special districts to school districts via the **Education Revenue Augmentation Fund**.

Taxing Jurisdictions: An entity, such as the county, cities, schools and special districts, that has statutory authority to levy **ad valorem taxes** or **fixed charge assessments**.

Unsecured Property Tax: Taxes that are assessed to property that can be relocated and is not real estate, such as business equipment, fixtures, boats, or airplanes.