



APPROVED

MAR 22 2011

AGENDA SUBMITTAL TO SOLANO COUNTY BOARD OF SUPERVISORS

BY *Myra Chiu*
CLERK OF THE BOARD

ITEM TITLE Approve the FY2010/11 Property Tax Administration Fee to recover the cost to administer the property tax system to cities and local agencies in accordance with the Revenue and Taxation Code Section 95.3(f)		BOARD MEETING DATE March 22, 2011	AGENDA NUMBER 15
Dept:	Auditor-Controller	Supervisorial District Number	
Contact:	Simona Padilla-Scholtens, CPA	All	
Extension:	6287		
	Published Notice Required?	Yes _____	No <u> x </u>
	Public Hearing Required?	Yes _____	No <u> x </u>

DEPARTMENTAL RECOMMENDATION:

Approve the FY2010/11 Property Tax Administration Fee to recover the cost to administer the property tax system to cities and local agencies in accordance with the Revenue and Taxation Code Section 95.3(f).

SUMMARY:

The Property Tax Administration Fee represents the total costs of the County to administer the property tax system. Revenue and Taxation Code § 95.3(f) authorizes the County to recover the property tax administrative costs attributable to cities and local jurisdictions within the County, excluding schools and Education Revenue Augmentation Fund (ERAF). The Auditor-Controller, Assessor-Recorder, Tax Collector/County Clerk/Treasurer, County Counsel and County Administrator's Office (by providing staff support to the Assessment Appeals Board) provide property tax administrative support. Their respective costs are included in the administrative fee calculation to determine the amount eligible for recovery from cities and other local jurisdictions. The total allocable property tax administration cost is \$7,330,200 of which \$1,680,051 (allocation to schools) and \$1,818,540 (allocation to General Fund) are excluded; therefore the amount the County can recover for FY2010/11 is \$3,831,609.

FINANCING:

The \$3,831,609 in revenue to be received from the Property Tax Administration Fee was included in the General Fund budget for FY2010/11.

DISCUSSION:

SB 2557, Maddy, (Chapter 466 of 1990), codified in Section 95.3(f) of the Revenue and Taxation Code authorizes counties to recover property tax administrative costs attributable to incorporated cities and local jurisdictions within each county except schools and ERAF. The total allocable costs for property tax administration services for FY2010/11 are \$7,330,200 (Attachment A).

The schools are excluded by law from paying their share of the property tax administrative fee. The schools' share of the property tax administration costs represents approximately 22.92% of the total cost

or \$1,680,051. In addition, the cost for the County's General Fund share is excluded from the amount recoverable representing 24.81% of total cost or \$1,818,540.

Therefore, the Property Tax Administration Cost to be recovered is determined as follows (Attachment B):

Allocable Property Tax Administration Cost	\$7,330,200
Less: Allocation to Schools	1,680,051
Allocation to General Fund	<u>1,818,540</u>
Recoverable Cost	<u>\$3,831,609</u>

The recoverable cost for each department who provided the property tax administration services are: Assessment Appeals Board \$26,735; Assessor \$2,734,628; Tax Collector \$878,195; and the Auditor-Controller \$192,051 for a total of \$3,831,609. The calculation includes all actual direct costs and countywide overhead charges for the respective departments for FY2009/10. Other revenues received for property tax related functions are subtracted from the total cost to arrive at the net property tax administration cost to be recovered. The net cost is distributed to all local agencies based on their proportionate share of the total property taxes apportioned for FY2010/11.

Pending Litigation: The methodology used in the calculation of the fee is based on guidelines adopted by the State Association of County Auditors. However, the League of California Cities is challenging the methodology and the case is in court right now for final resolution. The amount at risk is \$742,790.

ALTERNATIVES:

The Board may choose not to approve the Property Tax Administration Fee for FY2010/11 as recommended. However, failure to approve the Property Tax Administration Fee will result in the revenue loss of \$3,831,609 to the County's General Fund. Therefore, we recommend the Board approve the Property Tax Administration Fee as calculated.

OTHER AGENCY INVOLVEMENT:

The staff from the Assessor-Recorder, Tax Collector/County Clerk/Treasurer and the Assessment Appeals Board provided and reviewed the data used to calculate the Property Tax Administration Fee for FY2010/11.

CAO RECOMMENDATION:

**APPROVE DEPARTMENT
RECOMMENDATION**

DEPARTMENT HEAD SIGNATURE:


Simona Padilla-Scholten, CPA
Auditor-Controller

**SOLANO COUNTY
PROPERTY TAX ADMINISTRATION COST
SUMMARY
FOR USE IN FISCAL YEAR 2010-11**

ITEM/DESCRIPTION	COUNTY ASSESSMENT BOARD	ASSESSOR/ RECORDER	TAX COLLECTOR/ CLERK	AUDITOR- CONTROLLER
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EXPENDITURES:

SALARIES & BENEFITS	33,206	3,881,638	937,801	570,514
SERVICES AND SUPPLIES	4,675	1,266,848	820,447	120,394
COUNTY COUNSEL COSTS	13,268			
OTHER CHARGES		-		
OVERHEAD		432,756	226,207	186,450
DEPARTMENTAL COSTS:	51,149	5,581,242	1,984,455	877,358

REVENUE OFFSETS:

PENALTIES			135,620	
LICENSES, PERMITS				
OTHER GOVERNMENTAL AGENCIES				
STATE REIMB MANDATED COSTS				
PHOTO/MICROFICHE COPIES		4,359		
MEDIATION FEE				
ESTATE & PUBLIC ADMIN FEES				
RECORDING FEE				
AUTOMATION-MICROGRAPHICS				
ASSMT & TAX COLL FEES		102,125	66,678	431,845
AUDITING & ACCTG FEES				
LAND DIVISION FEE				
REDEMPTION FEES				57,840
OTHER PROF SERVICES			3,350	
CSMP SERVICES				
SB 813 COLL FEES		160,879	11,491	19,152
LEGAL FEES				
MEDICARE SERVICES				
OTHER CHARGES FOR SERVICES		82,300	82,253	775
OTHER REVENUE			5,000	337
COUNTYWIDE OVERHEAD OFFSET				
INSURANCE PROCEEDS				
TOTAL REVENUE OFFSETS:	0	349,663	304,392	509,949
NET COSTS:	51,149	5,231,579	1,680,063	367,409

TOTAL PROPERTY TAX ADMINISTRATION COST: 7,330,200

Sources: Department reports on supporting costs
IFAS Report (Monthly Status) ending June 30, 2010

**SOLANO COUNTY
PROPERTY TAX ADMINISTRATION FEE DISTRIBUTION
FOR USE IN FISCAL YEAR 2010-11**

Fund #/ Acct Key	FUND	TOTAL AMOUNT APPORTIONED	ALLOCATION PERCENT	PROPERTY TAX ADMINISTRATIVE FEE DISTRIBUTION
COUNTY				\$ 7,330,200
006/1701	ACO CAP OUTLAY	1,604,578	0.4036997%	29,592
047/9002	AVIATION	236,563	0.0595175%	4,363
004/6311	COUNTY FREE LIBRARY	4,738,075	1.1920639%	87,381
001/1101	GENERAL	98,607,269	24.8088446%	1,818,540
036/6150	LIB SPEC TAX ZONE 1	701,720	0.1765475%	12,941
037/6180	LIB SPEC TAX ZONE 2	28,897	0.0072703%	533
066/6166	LIB SPEC TAX ZONE 6	14,249	0.0035849%	263
067/6167	LIB SPEC TAX ZONE 7	309,930	0.0779761%	5,716
016/7001	RECREATION	402,689	0.1013135%	7,426
108/3017	SPECIAL ROAD	781,807	0.1966967%	14,418
TOTAL COUNTY		107,425,777	27.0275146%	1,981,173

**SPECIAL DISTRICTS GOVERNED BY
COUNTY BOARD OF SUPERVISORS:**

046/9746	CO CONSOLIDATED SVC AREA	81,217	0.0204336%	1,498
049/0049	Y/S AIR QUALITY MGMT DIST	253,243	0.0637140%	4,670
TOTAL DEPENDENT DISTRICTS		334,460	0.0841476%	6,168

**SPECIAL DISTRICTS GOVERNED BY
LOCAL BOARDS:**

FIRE DISTRICTS

127/9807	CORDELIA FIRE	235,529	0.0592573%	4,344
128/0128	DIXON FIRE	457,380	0.1150734%	8,435
134/9814	EAST VALLEJO FIRE	376,411	0.0947022%	6,942
130/9810	MONTEZUMA FIRE	533,763	0.1342907%	9,844
131/9810	RYER FIRE	83,078	0.0209018%	1,532
132/9812	SUISUN FIRE	257,382	0.0647554%	4,747
133/9813	VACAVILLE-ELMIRA FIRE	985,805	0.2480211%	18,180
TOTAL FIRE DISTRICTS		2,929,348	0.7370019%	54,024

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				\$ 7,330,200
CEMETERY DISTRICTS				
180/9866	F-S CEMETERY	195,155	0.0490995%	3,599
177/9855	RIO VISTA CEMETERY	460,714	0.1159122%	8,497
178/9866	ROCKVILLE CEMETERY	473,166	0.1190450%	8,726
179/9857	SILVEYVILLE CEMETERY	378,863	0.0953191%	6,987
181/9859	VAC-ELMIRA CEMETERY	327,584	0.0824177%	6,041
182/0182	WINTERS JOINT CEMETERY	44,695	0.0112449%	824
TOTAL CEMETERY DISTRICTS		1,880,177	0.4730383%	34,674
ALL OTHER				
048/0048	BAAQMD	505,413	0.1271581%	9,321
019/9821	COLLINSVILLE LEVEE	9,834	0.0024742%	181
024/9823	DIXON RESOURCE CONS	81,681	0.0205503%	1,506
426/9886	DIXON UNIF LIBRARY	316,396	0.0796029%	5,835
018/0018	GVRD	3,015,853	0.7587659%	55,619
009/0009	MAINE PRAIRIE	31,569	0.0079425%	582
007/0007	MOSQUITO ABATE	1,514,059	0.3809258%	27,923
159/0159	NAPA JT RES CON	11	0.0000028%	-
201/8201	REC DIST 2098	5,566	0.0014004%	103
027/0027	SOL CO WATER CON DIS	5,469,359	1.3760494%	100,867
030/0030	ZONE OF BENEFIT 1	692,210	0.1741548%	12,766
032/0032	ZONE OF BENEFIT 2	58,710	0.0147710%	1,083
102/0102	SOLANO IRRIG DIST	510,034	0.1283207%	9,406
023/9822	SUISUN RESOURCE CONS	3,499	0.0008803%	65
025/9824	SOLANO RESOURCE CONS. DIST	108,873	0.0273916%	2,008
427/9887	VACA UNIF LIBRARY	1,451,749	0.3652491%	26,773
022/0022	VSFCD OPERATING	771,619	0.1941335%	14,230
TOTAL ALL OTHER		14,546,435	3.6597733%	268,268
TOTAL INDEPENDENT DISTRICTS		19,355,960	4.8698134%	356,966

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				\$ 7,330,200

SCHOOLS:

601/0601	BEN UNIF SCHL DIST M&O	11,547,375	2.9052324%	212,959
500/0500	CO SCH SERV FUND SUP	3,372,665	0.8485371%	62,199
998/0998	CO SCH SER FUND SUPP	390,215	0.0981752%	7,196
999/0999	CO SUP-BD OF EDUC	1,077,746	0.2711528%	19,876
614/0614	DAVIS JT UNIF ED	5,998	0.0015091%	111
607/0607	DAVIS UNI SCHL DIST M&O	68,222	0.0171641%	1,258
503/0503	DEVELOPMENT CENTER	712,814	0.1793386%	13,146
602/0602	DIX UNIF SCHL DIST M&O	5,920,828	1.4896356%	109,193
83/0083	E.R.A.F	(5,162,075)	-1.2987391%	(95,200)
611/0611	F-S UNIF SCHL DIST M&O	20,528,237	5.1647495%	378,586
526/0526	LOS RIOS CC M&O	7,717	0.0019415%	142
610/0610	RIVER DELT JT UNI M&O	5,359,229	1.3483416%	98,836
613/0613	RIVER DELT UNI-ED	278,850	0.0701566%	5,143
528/0528	SAN JOAQUIN CC M&O	962,379	0.2421273%	17,748
527/0527	SOLANO COMM COL M&O	9,090,870	2.2871943%	167,656
606/0606	TRAVIS UNI SCHL DIST M&O	2,945,713	0.7411192%	54,326
608/0608	VACA UNI SCHL DIST M&O	14,823,379	3.7294503%	273,376
603/0603	VJO UNI SHCL DIST M&O	18,675,715	4.6986689%	344,422
612/0612	WINTERS JT UNIFIED ED	40,817	0.0102693%	753
609/0609	WINTERS UNI SCHL DIST M&O	451,391	0.1135666%	8,325
TOTAL SCHOOLS		91,098,085	22.9195906%	1,680,051

CITIES

075/0075	BENICIA	15,531,904	3.9077098%	286,443
076/0076	DIXON	5,042,808	1.2687324%	93,001
077/0077	FAIRFIELD	19,827,254	4.9883875%	365,659
078/0078	RIO VISTA	1,726,683	0.4344204%	31,844
079/0079	SUISUN	2,632,172	0.6622346%	48,543
080/0080	VACAVILLE	21,312,663	5.3621051%	393,053
081/0081	VALLEJO	23,991,419	6.0360599%	442,455
TOTAL CITIES		90,064,903	22.6596498%	1,660,998

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				\$ 7,330,200
REDEVELOPMENT AGENCIES:				
090/0090	CORDELIA	12,004,193	3.0201642%	221,384
146/0146	DIXON	2,144,556	0.5395541%	39,550
095/0095	FAIRFIELD RGNL CTR	6,404,142	1.6112337%	118,107
149/0149	FAIRFIELD RGNL CTR-AMND*	0	0.0000000%	-
097/0097	FFLD CENTER	2,985,323	0.7510847%	55,056
148/0148	N TEXAS ST CORRIDOR RDA	1,553,640	0.3908841%	28,653
092/0092	FLOSDEN	574,559	0.1445546%	10,596
098/0098	FLOSDEN ANNEX	98,752	0.0248453%	1,821
143/0143	FLOSDEN #3 M/W	756,433	0.1903128%	13,950
096/0096	HIGHWAY 12	11,006,656	2.7691916%	202,987
100/0100	I 505/80	30,505,978	7.6750738%	562,598
091/0091	MARINA VISTA	464,699	0.1169149%	8,570
088/0088	RIO VISTA	760,585	0.1913574%	14,027
089/0089	SUISUN CITY	1,263,949	0.3180000%	23,310
147/0147	SUISUN CITY-AS AMMENDED	10,292,564	2.5895315%	189,818
141/0141	VACA PROJECT	7,111,324	1.7891554%	131,149
087/0087	VJO CENTRAL	634,090	0.1595324%	11,694
093/0093	WATERFRONT DEV PROJ	627,577	0.1578936%	11,574
TOTAL REDEVELOPMENT		89,189,019	22.4392840%	1,644,844
TOTAL ALL JURISDICTIONS		397,468,204	100.00%	7,330,200
LESS: COUNTY'S GENERAL FUND/SCHOOLS COSTS SUBJECT TO RECOVERY				3,498,591
				3,831,609

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Source: FY 2010-11 Schedule of Admin Cost Factors

* Combined with Fund 095