

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Auditor-Controller *JPK*

BOARD AGENDA # *B-4

Urgent Routine

AGENDA DATE September 10, 2013

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Adopt the 2013/2014 Property Tax Rates

STAFF RECOMMENDATIONS:

1. Adopt the 1% tax rate authorized by Sections 93(b) and 135 of the Revenue and Taxation Code.
2. Adopt tax rates that are "...needed to make annual payments for the interest and principal on general obligation bonds or other indebtedness approved by the voters" to be levied pursuant to Revenue and Taxation Code 93(a) and 93(c).
3. Adopt the Countywide Unitary Tax rate authorized by Section 100 of the Revenue and Taxation Code.
4. Adopt the .8714% tax rate for the territory formerly served by the lower San Joaquin Levee District.

FISCAL IMPACT:

Local agencies depend on property tax revenue to fund certain operating costs associated with their annual budgets. Countywide, the total secured tax charge, exclusive of tax levies for bonded indebtedness approved by voters, for 2013/2014 is \$332,864,160. Stanislaus County will receive an estimated 10.5% of the total tax charge, which is approximately \$34.9 million.

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BOARD ACTION AS FOLLOWS:

No. 2013-450

On motion of Supervisor Withdraw, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Withdraw, Monteith, De Martini and Chairman Chiesa

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT (continued):

In addition, due to the State's swap of Vehicle License Fees for Property Taxes and resulting growth, the County's share of property taxes will be adjusted to approximately 24 cents for each property tax dollar. This increase does not represent new funding, but is intended to be revenue neutral for the County and will replace Vehicle License Fees, which have been permanently reduced.

The tax rates for bond and interest redemption will provide for the redemption of voter-approved indebtedness that becomes due and payable during Fiscal Year 2013/2014.

DISCUSSION:

Each year the Board of Supervisors adopts a budget that will fund the community services and programs for citizens of Stanislaus County. Part of the funding identified in that document is property taxes.

In addition, other agencies such as cities, school districts, special districts, and the newly formed successor agencies (former redevelopment agencies) also, in part or in full, rely on property taxes to fund their services and programs.

Further, many school districts in the County have relied on debt issuance to acquire land and finance construction of school facilities to meet the educational needs of the people of Stanislaus County. General obligation bonds and loans from the State of California have financed this debt. These bonds and loans are retired by property taxes from the taxpayers in each respective school district.

Each Fiscal Year, the Board of Supervisors adopts tax rates that are applied to secured assessed valuations for the purpose of calculating and issuing secured tax bills. The prior Fiscal Year's secured rates become the current Fiscal Year's unsecured rates.

Prior to the passage of the Jarvis-Gann Proposition 13 initiative in 1978, tax rates would be calculated for every taxing agency and revenue district on the County tax roll. After Prop 13, the rate was limited to a maximum of 1% of assessable value, plus rates needed to redeem indebtedness approved by the voters prior to passage of the proposition. Distribution of the tax proceeds generated by the 1% rate is detailed in Sections 95 through 100 of the Revenue and Taxation Code. Individual tax rates by debt issue are presented on Attachment A, included with this report.

In 1988, AB454 and AB2890 created a countywide tax rate area and provided a means of calculating tax rates for all unitary and operating non-unitary utility values in the County. Unitary property is defined as a group of properties that operate as a unit as part of the primary function of the assessee. Examples of unitary property are pipelines, telephone lines, etc. Operating non-unitary property is considered to be a group of properties that operate as a unit, but are not part of the primary function of the assessee. In 2003 a new countywide tax rate area was created to segregate the right of

Approval to Adopt the 2013/2014 Property Tax Rates

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ways for pipelines from the original countywide tax rate area created in 1988 and charge the local Assessor's Office with their valuation under the provisions of Proposition 13. In 2007 another countywide tax rate area was established for the assessment of regulated railways. Previously these properties had been assessed as a single unit then allocated to tax rate areas based upon track mileage within individual tax rate areas.

The State Board of Equalization now reports a single value for these properties that are placed in the countywide tax rate area. The rate for indebtedness in these countywide tax rate areas is modified each year by the percentage change in bond requirements in the preceding two Fiscal Years. Unitary and Operating non-unitary properties are assessed (with the exception for pipeline right of ways) on the Utility Roll by the State Board of Equalization and taxed locally using rates calculated under the provisions of Revenue and Taxation Code Section 100 (b)(2)(A). The tax rate for these countywide unitary tax rate areas is shown on Attachment A, included with this report.

Certain areas of the County are taxed at a rate of less than the 1% Proposition 13 rate. Several years after the passage of Proposition 13, legislation was passed that changed the method of financing for the Lower San Joaquin Levee District. At the same time, the district boundary lines were redrawn to exclude territory within Stanislaus County. The tax rate has been reduced from 1% to .8714% under the authority of then Section 100 of the Revenue and Taxation Code and the Attorney General's opinion. The reduced rate reflects the fact that taxpayers in the former Lower San Joaquin Levy District territory are receiving reduced services.

Adoption of bond rates is necessary so that taxing agencies and districts can derive needed funds for the redemption of indebtedness approved by voters. They are authorized under Section 93 of the Revenue and Taxation Code. The 2013/2014 tax rates for bond and interest redemption are shown on Attachment A, included with this report.

If expected results are achieved, the Fiscal Year 2013/2014 property tax bills will be produced and mailed to property tax owners in September. Revenue derived from the payment of those tax bills will assure that services and programs, dependent upon this revenue, will continue uninterrupted for Fiscal Year 2013/2014. Additionally, debt obligations of the school districts will be met.

POLICY ISSUES:

Section 93 of the Revenue and Taxation Code requires the County to adopt property tax rates. In addition, adopting the 2013/2014 Property Tax Rates will provide needed revenues to help fund the Board of Supervisors' priorities of a Safe Community, A Healthy Community, Effective Partnerships and the Efficient Delivery of Public Services.

STAFFING IMPACTS:

The staffing level in the Property Tax Division of the Auditor-Controller's Office is sufficient to perform the duties associated with adoption of the 2013/2014 Property Tax Rates.

CONTACT PERSON:

Todd Filgas, Property Tax Division Manager

Telephone: 525-6597

2013/2014 PROPERTY TAX RATES

ATTACHMENT A

STANISLAUS COUNTY
BOND AND INTEREST REDEMPTION
2013/14 TAX RATES

TAX CODE	NAME OF FUND	TAX RATE PERCENTAGES	AB454 PERCENTAGES
40900	OAK VALLEY HOSPITAL 2005	0.0572790	0.0111150000
41250	CHATOM ELEM 2006 A	0.0259220	0.0013470000
41260	CHATOM ELEM BOND 2006, SERIES 2007 B	0.0036160	0.0001880000
41610	HART RANSOM BOND 2007, SERIES 2008 A	0.0305380	0.0004750000
41620	HART RANSOM BOND 2007, SERIES 2008 B	0.0060830	0.0000950000
41700	HICKMAN	0.0588490	0.0001840000
42000	KEYES 1996	0.0431840	0.0006490000
42050	KEYES UNION BOND 2005 SERIES 2005	0.0279330	0.0004200000
42075	KEYES UNION BOND 2005 SERIES 2007 B	0.0317060	0.0004760000
42080	KEYES UNION BOND 2005, SERIES 2008 C	0.0048240	0.0000720000
42340	MODESTO 2001	0.0292300	0.0214380000
43100	PARADISE 2003	0.0414140	0.0000820000
43300	RIVERBANK 1993 SER A	0.0726710	0.0046820000
43400	RIVERBANK 1993 SER B	0.0364650	0.0023500000
43450	RIVERBANK ELECTION 2005 SERIES 2005 A	0.0674780	0.0043480000
43600	SALIDA 1988	0.0073030	0.0003430000
44300	STANISLAUS 2001	0.0021850	0.0000990000
44350	STANISLAUS ELECTION OF 2008 SERIES A	0.0295130	0.0018060000
44360	STANISLAUS ELECTION OF 2008 SERIES B	0.0069350	0.0004240000
44810	SYLVAN 2011 REFUNDING	0.0255150	0.0022730000
44950	SYLVAN ELECTION OF 2006, SERIES 2007	0.0262870	0.0039020000
45055	TURLOCK SFID GO BOND 2007	0.0149460	0.0023050000
45060	TURLOCK GO BOND REFUNDING 2013	0.0131960	0.0017310000
45075	VALLEY HOME 2004 A	0.0229320	0.0001170000
45080	VALLEY HOME 2004 B	0.0063000	0.0000320000
45475	HUGHSON UNIFIED 2004 A	0.0287690	0.0018020000
45485	HUGHSON UNIFIED 2004 B	0.0222510	0.0013940000
45490	HUGHSON UNIFIED 2007 C	0.0033990	0.0002130000
46025	TURLOCK UNIF 2007	0.0088250	0.0016410000
46050	TURLOCK GO BOND 2007 REFUNDING	0.0412510	0.0076720000
46260	CERES UNIFIED 2008, SERIES 2009 A	0.0339680	0.0033120000
46270	CERES UNIFIED 2008, SERIES 2009 B	0.0255930	0.0024950000
46275	CERES UNIFIED 2008, SERIES 2010 A	0.0109270	0.0007980000
46280	CERES UNIFIED 2010 GO REFUNDING BONDS	0.0465440	0.0045380000
46450	DENAIR UNIFIED 2001 B	0.0206780	0.0007960000
46470	DENAIR UNIFIED BOND 2007, SERIES 2008	0.0537290	0.0020680000
46480	DENAIR UNIFIED BOND 2007, SERIES 2011	0.0053440	0.0002060000
46490	DENAIR UNIFIED BOND 2012 REFUNDED	0.0342290	0.0013170000
46950	NEWMANICROWSLNDG 2007 REFUNDING	0.0587390	0.0026290000
46955	NEWMANICROWSLNDG 2008 REFUNDING	0.0411820	0.0018430000
46960	NEWMANICROWSLNDG ELECTION 2008, SERIES 2009 A	0.0576330	0.0025800000
46970	NEWMANICROWSLNDG ELECTION 2008, SERIES 2010 B	0.0057670	0.0002580000
47050	OAKDALE 2002 A	0.0231220	0.0023170000
47060	OAKDALE 2002 B	0.0112350	0.0011260000
47070	OAKDALE 2002 C	0.0110950	0.0011120000
47100	PATTERSON 1996 A	0.0166640	0.0013540000
47200	PATTERSON 2001 A	0.0695890	0.0056540000
47250	PATTERSON 2001 B	0.0114020	0.0009260000
47255	PATTERSON 2008 A	0.0019380	0.0001930000
47270	RIVERBANK ELECTION 2005 SERIES 2008 A	0.0098420	0.0006340000
47400	WATERFORD 1998	0.1161860	0.0013360000
47725	MODESTO 2001	0.0363650	0.0531980000
47860	YOSEMITE 2004, SERIES 2008 C	0.0190240	0.0585340000
47870	YOSEMITE 2004, SERIES 2010 D	0.0003900	0.0011980000
47880	YOSEMITE 2012 REFUNDING	0.0075670	0.0232820000
		1.5255510000	0.2473790000
	GENERAL RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	0.999983413	
	BOND RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	0.247379000	
	CALCULATED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.247362413	
	LEVIED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.247362	