

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

DEPT: Auditor-Controller *JK*

BOARD AGENDA # *B-3

Urgent

Routine

AGENDA DATE December 17, 2013

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of the Allocation for Highway Property Rental Revenue of \$33,813.38

STAFF RECOMMENDATIONS:

1. Allocate \$8,471.37 for the payment of possessory interest tax bill (ASMT 860-000-576) in accordance with section 104.13 (C) of the California Streets and Highways Code.
2. Allocate \$1,471.20 of lease revenue to the City of Modesto and \$10,738.95 of lease revenue to the City of Ceres in accordance with section 104.10 of the California Streets and Highways Code.
3. Allocate \$13,131.86 of lease revenue to the County Road Fund in accordance with the provision in 104.10 of the California Streets and Highways Code that its spending be limited to mass transit or streets and highways purposes.

FISCAL IMPACT:

The County General Fund will receive approximately \$1,542.68 of the \$8,471.37 possessory interest tax revenue payment. In addition, the County Road Fund will receive \$13,131.86 of lease revenue which is restricted to mass transit or streets and highways purposes.

The Cities of Ceres and Modesto will receive the remaining \$12,210.15 of lease revenue as described in item two in the Staff Recommendations.

BOARD ACTION AS FOLLOWS:

No. 2013-635

On motion of Supervisor Monteith _____, Seconded by Supervisor O'Brien _____

and approved by the following vote,

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

Noes: Supervisors: None _____

Excused or Absent: Supervisors: None _____

Abstaining: Supervisor: None _____

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

DISCUSSION:

The State Department of Transportation acquires real property for present and future state highway purposes. Real property acquired for future needs is leased until needed for proposed projects. Such leased property exists in the South-Western area of the City of Modesto at Highway 132/Maze Blvd. Disposition of lease revenues is governed by Sections 104.6, 104.10, and 104.13 of the California Streets and Highways Code. Annually, 24% of the lease revenue is forwarded to the County to be distributed by the Board of Supervisors. The local revenue must first be used to pay possessory interest tax bills against the property (section 104.13), and cities are entitled to one-half of the revenues generated within their jurisdiction (Section 104.10). The only other restriction is stated in Section 104.10, "the money received ... shall be expended only for purposes authorized by Article XIX of the California Constitution." Article XIX of the California Constitution describes how motor vehicle revenues shall be distributed among cities, counties and areas of the state and to what purposes those revenues may be used for. In our opinion, this limits the use of the money to mass transit and streets and highway purposes.

As mentioned above, the discretionary portion of this revenue (staff recommendation 3) is to be used for transportation purposes. That would limit distribution to those agencies (county and cities) that provide transportation services. Since the amount of revenue is immaterial and there is no prescribed methodology for distribution to agencies providing transportation services, we recommend distribution of the discretionary portion entirely to the County.

POLICY ISSUES:

Allocation of these funds must be determined by the Board of Supervisors per Section 104.10 of the California Streets and Highways Code. Approval of this agenda item supports the Board of Supervisors priority of A Well-Planned Infrastructure System.

STAFFING IMPACT:

There are no staffing impacts associated with this agenda item.

CONTACT PERSON:

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