

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

DEPT: Auditor-Controller SPK

BOARD AGENDA # \*B-2

Urgent

Routine

AGENDA DATE September 16, 2014

CEO Concurs with Recommendation YES  NO

4/5 Vote Required YES  NO

(Information Attached)

SUBJECT:

Approval to Adopt the Fiscal Year 2014/2015 Property Tax Rates

STAFF RECOMMENDATIONS:

1. Adopt the 1% Ad Valorem 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 Fiscal Year 2014/2015 is \$371,099,945. Stanislaus County will receive an estimated 10.49% of the total tax charge, which is approximately \$38.9 million.

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BOARD ACTION AS FOLLOWS:

No. 2014-475

On motion of Supervisor Monteith Seconded by Supervisor Withrow  
and approved by the following vote,

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

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:

ATTEST: Elizabeth A. King  
ELIZABETH A. KING, Assistant 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 is 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 2014/2015.

**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 Proposition 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. In addition to the 1% rate, individual tax rates needed to redeem bonded indebtedness is detailed on Attachment A, included with this report.

In 1988, AB 454 and AB 2890 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 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 Fiscal Year 2014/2015 tax rates for bond and interest redemption are shown on Attachment A, included with this report.

The Fiscal Year 2014/2015 property tax bills will be produced and mailed to property tax owners in September subsequent to the approval of this agenda item. 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 2014/2015. 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 Fiscal Year 2014/2015 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 Fiscal Year 2014/2015 Property Tax Rates.

**CONTACT PERSON:**

Todd Filgas

Property Tax Division Manager

Telephone: (209) 525-6597

**FISCAL YEAR 2014/2015**  
**PROPERTY TAX RATES**

**ATTACHMENT A**

**STANISLAUS COUNTY**  
**BOND AND INTEREST REDEMPTION**  
**FISCAL YEAR 2014/15 TAX RATES**

TAX CODE	NAME OF FUND	ADDITIONAL BOND TAX RATE PERCENTAGES	UNITARY PERCENTAGES
40910	OAK VALLEY HOSPITAL 2014 REFUNDING	0.0530780	0.0000000000
41250	CHATOM ELEM 2006 A	0.0259060	0.0018923610
41260	CHATOM ELEM BOND 2006, SERIES 2007 B	0.0032200	0.0001652138
41610	HART RANSOM BOND 2007, SERIES 2008 A	0.0000000	0.0000000000
41620	HART RANSOM BOND 2007, SERIES 2008 B	0.0073660	0.0001078349
41700	HICKMAN	0.0475900	0.0000198789
42000	KEYES 1996	0.0075250	0.0106760674
42050	KEYES UNION BOND 2005 SERIES 2005	0.0241650	0.0020893737
42075	KEYES UNION BOND 2005 SERIES 2007 B	0.0304880	0.0006680554
42080	KEYES UNION BOND 2005, SERIES 2008 C	0.0178480	0.0009727781
42340	MODESTO 2001	0.0309970	0.0114557878
43100	PARADISE 2003	0.0363400	0.0003428961
43300	RIVERBANK 1993 SER A	0.0788730	0.0025651576
43400	RIVERBANK 1993 SER B	0.0351190	0.0046578739
43450	RIVERBANK ELECTION 2005 SERIES 2005 A	0.0706110	0.0013818073
43600	SALIDA 1988	0.0068840	0.0003092811
44300	STANISLAUS 2001	0.0086840	0.0003111703
44350	STANISLAUS ELECTION OF 2008 SERIES A	0.0297620	0.0019291876
44360	STANISLAUS ELECTION OF 2008 SERIES B	0.0067150	0.0006220206
44810	SYLVAN 2011 REFUNDING	0.0256450	0.0038645606
44950	SYLVAN ELECTION OF 2006, SERIES 2007	0.0249790	0.0033105226
44960	SYLVAN ELECTION OF 2006, SERIES 2010	0.0003110	0.0000000000
45055	TURLOCK SFID GO BOND 2007	0.0135260	0.0046539341
45060	TURLOCK GO BOND REFUNDING 2013	0.0124440	0.0027909558
45075	VALLEY HOME 2004 A	0.0128570	0.0005558937
45080	VALLEY HOME 2004 B	0.0060670	0.0003705298
45475	HUGHSON UNIFIED 2004 A	0.0347810	0.0039182099
45485	HUGHSON UNIFIED 2004 B	0.0189980	0.0049298684
45490	HUGHSON UNIFIED 2007 C	0.0034700	0.0001069482
46025	TURLOCK UNIF 2007	0.0075190	0.0015621345
46050	TURLOCK GO BOND 2007 REFUNDING	0.0389260	0.0200619125
46260	CERES UNIFIED 2008, SERIES 2009 A	0.0320720	0.0033930640
46270	CERES UNIFIED 2008, SERIES 2009 B	0.0239150	0.0025304974
46275	CERES UNIFIED 2008, SERIES 2010 A	0.0121120	0.0016617637
46280	CERES UNIFIED 2010 GO REFUNDING BONDS	0.0449320	0.0078041151
46285	CERES UNIFIED 2013 GO REFUNDING BONDS	0.0039280	0.0006307657
46450	DENAIR UNIFIED 2001 B	0.0209370	0.0014684318
46470	DENAIR UNIFIED BOND 2007, SERIES 2008	0.0517880	0.0011704003
46480	DENAIR UNIFIED BOND 2007, SERIES 2011	0.0054760	0.0001655673
46490	DENAIR UNIFIED BOND 2012 REFUNDED	0.0327760	0.0009449373
46950	NEWMANICROWSLNDG 2007 REFUNDING	0.0526380	0.0088519541
46955	NEWMANICROWSLNDG 2008 REFUNDING	0.0431440	0.0040588341
46960	NEWMANICROWSLNDG ELECTION 2008, SERIES 2009 A	0.0551720	0.0055404108
46970	NEWMANICROWSLNDG ELECTION 2008, SERIES 2010 B	0.0075700	0.0010976095
47050	OAKDALE 2002 A	0.0197700	0.0095495232
47060	OAKDALE 2002 B	0.0095370	0.0052711008
47070	OAKDALE 2002 C	0.0100630	0.0028902986
47100	PATTERSON 1996 A	0.0116400	0.0098386603
47200	PATTERSON 2001 A	0.0456800	0.0498625543
47250	PATTERSON 2001 B	0.0086910	0.0051947693
47255	PATTERSON 2008 A	0.0049850	0.0009100760
47270	RIVERBANK ELECTION 2005 SERIES 2008 A	0.0088250	0.0004507523
47400	WATERFORD 1998	0.1003590	0.0066178427
47725	MODESTO 2001	0.0390140	0.0024982993
47860	YOSEMITE 2004, SERIES 2008 C	0.0156630	0.0401377865
47870	YOSEMITE 2004, SERIES 2010 D	0.0003340	0.0008862451
47880	YOSEMITE 2012 REFUNDING	0.0058260	0.0154275252
			<b>0.2751460</b>

LOWER SAN JOAQUIN LEVEE DISTRICT TAX RATE	0.871400
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UNITARY TAX RATE CALCULATION	
GENERAL RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	0.999984759
BOND RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	0.275146000
CALCULATED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.275130759
<b>LEVIED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA</b>	<b>1.275131</b>