

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

DEPT: Auditor-Controller *JHK*

BOARD AGENDA # *B-1

Urgent

Routine

AGENDA DATE September 15, 2015

CEO Concurs with Recommendation YES NO

4/5 Vote Required YES NO

(Information Attached)

SUBJECT:

Approval to Adopt the Fiscal Year 2015/2016 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 2015/2016 is \$390,852,621. General calculations reflect Stanislaus County will receive an estimated 11.58% of the total tax charge, which is approximately \$45.3 million.

(continued on page 2)

BOARD ACTION AS FOLLOWS:

No. 2015-422

On motion of Supervisor Monteith, Seconded by Supervisor Chiesa

and approved by the following vote,

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

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) Approved as recommended

2) Denied

3) Approved as amended

4) Other:

MOTION:

ATTEST:

Christine Ferraro
CHRISTINE FERRARO TALLMAN, Clerk

File No.

FISCAL IMPACT (continued):

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 2015/2016.

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 tax revenue.

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 tax revenue 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 are needed to redeem bonded indebtedness. 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.

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

Approval to Adopt the Fiscal Year 2015/2016 Property Tax Rates

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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).

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.

Attachment A lists the county general secured tax rate, bond and interest redemption tax rate, the countywide unitary tax rate and the Lower San Joaquin Levee District tax rate.

The Fiscal Year 2015/2016 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 2015/2016. 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 2015/2016 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 2015/2016 Property Tax Rates.

CONTACT PERSON:

Todd Filgas

Property Tax Division Manager

Telephone: (209) 525-6597

FISCAL YEAR 2015/2016
PROPERTY TAX RATES

ATTACHMENT A

STANISLAUS COUNTY
FY 2015/16 PROPERTY TAX RATES

1.	COUNTY GENERAL TAX RATE	1.000000
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2.	BOND AND INTEREST REDEMPTION	TAX RATE PERCENTAGES	UNITARY PERCENTAGES
TAX CODE	NAME OF FUND		
40910	OAK VALLEY HOSPITAL 2014 REFUNDING	0.0260580	0.0000000000
41250	CHATOM ELEM 2006 A	0.0222080	0.0017757728
41260	CHATOM ELEM BOND 2006, SERIES 2007 B	0.0026300	0.0001466278
41620	HART RANSOM BOND 2007, SERIES 2008 B	0.0060310	0.0000950160
41700	HICKMAN	0.0414740	0.0000183281
42000	KEYES 1996	0.0155820	0.0149933241
42050	KEYES UNION BOND 2005 SERIES 2005	0.0217750	0.0020815286
42075	KEYES UNION BOND 2005 SERIES 2007 B	0.0215520	0.0005154415
42080	KEYES UNION BOND 2005, SERIES 2008 C	0.0128140	0.0008094018
42340	MODESTO 2001	0.0260060	0.0103675921
43100	PARADISE 2003	0.0296520	0.0003009795
43300	RIVERBANK 1993 SER A	0.0680810	0.0024217595
43400	RIVERBANK 1993 SER B	0.0294460	0.0043143804
43600	SALIDA 1988	0.0058550	0.0002800870
44350	STANISLAUS ELECTION OF 2008 SERIES A	0.0162470	0.0011218692
44365	STANISLAUS 2014 GOB REFUNDING	0.0184500	0.0012725267
44810	SYLVAN 2011 REFUNDING	0.0101530	0.0016517657
44950	SYLVAN ELECTION OF 2006, SERIES 2007	0.0223220	0.0031427646
44955	SYLVAN ELECTION OF 2006, SERIES 2010	0.0002800	0.0000000000
45060	TURLOCK GO BOND REFUNDING 2013	0.0122120	0.0028943645
45075	VALLEY HOME 2004 A	0.0199800	0.0009035145
45080	VALLEY HOME 2004 B	0.0067920	0.0004615114
45475	HUGHSON UNIFIED 2004 A	0.0270810	0.0032242344
45485	HUGHSON UNIFIED 2004 B	0.0148320	0.0040596379
45490	HUGHSON UNIFIED 2007 C	0.0036680	0.0001177374
46030	TURLOCK 2015 GO REFUNDING BOND	0.0359410	0.0098191717
46035	TURLOCK SFID - 2015 GO REFUNDING BOND	0.0083900	0.0022920420
46260	CERES UNIFIED 2008, SERIES 2009 A	0.0280310	0.0031422836
46270	CERES UNIFIED 2008, SERIES 2009 B	0.0206770	0.0023179234
46275	CERES UNIFIED 2008, SERIES 2010 A	0.0133540	0.0019492356
46280	CERES UNIFIED 2010 GO REFUNDING BONDS	0.0405200	0.0074739658
46285	CERES UNIFIED 2013 GO REFUNDING BONDS	0.0054010	0.0009428218
46290	CERES UNIFIED 2015 GO REEUNDING BONDS	0.0048800	0.0006665996
46450	DENAIR UNIFIED 2001 B	0.0176820	0.0014101023
46470	DENAIR UNIFIED BOND 2007, SERIES 2008	0.0400690	0.0010227117
46480	DENAIR UNIFIED BOND 2007, SERIES 2011	0.0048820	0.0001669750
46490	DENAIR UNIFIED BOND 2012 REFUNDED	0.0243680	0.0007937387
46950	NEWMAN\CROWSLNDG 2007 REFUNDING	0.0459000	0.0085665252
46955	NEWMAN\CROWSLNDG 2008 REFUNDING	0.0372910	0.0038952776
46960	NEWMAN\CROWSLNDG ELECTION 2008, SERIES 2009 A	0.0480940	0.0053473048
46970	NEWMAN\CROWSLNDG ELECTION 2008, SERIES 2010 B	0.0085040	0.0013948587
47050	OAKDALE 2002 A	0.0167480	0.0089256854
47060	OAKDALE 2002 B	0.0079720	0.0048669032
47070	OAKDALE 2002 C	0.0083080	0.0026291632
47100	PATTERSON 1996 A	0.0105960	0.0097047594
47200	PATTERSON 2001 A	0.0439320	0.0519564613
47250	PATTERSON 2001 B	0.0079740	0.0051744236
47255	PATTERSON 2008 A	0.0076910	0.0015592358
47270	RIVERBANK ELECTION 2005 SERIES 2008 A	0.0068740	0.0003828436
47275	RIVERBANK USD 2015 GOB REFUNDING	0.0573670	0.0019185275
47400	WATERFORD 1998	0.0845360	0.0061995571
47725	MODESTO 2001	0.0343310	0.0023412852
47860	YOSEMITE 2004, SERIES 2008 C	0.0116180	0.0324101108
47870	YOSEMITE 2004, SERIES 2010 D	0.0004670	0.0000000000
47880	YOSEMITE 2012 REFUNDING	0.0082850	0.0238285182
47890	YOSEMITE 2015 REFUNDING	0.0065500	0.0156144222
			0.2756836

3.	LEVIED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.275669
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4.	LOWER SAN JOAQUIN LEVEE DISTRICT TAX RATE	0.871400
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