

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

DEPT: Auditor-Controller

BOARD AGENDA #: *B-3

AGENDA DATE: March 28, 2017

SUBJECT:

Approval of the Allocation for State Highway Property Rental Revenue of \$72,211.26

BOARD ACTION AS FOLLOWS:

No. 2017-126

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

Ayes: Supervisors: Olsen, Withrow, Monteith, DeMartini, 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:

ATTEST: 
PAM VILLARREAL, Assistant Clerk

File No.

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM**

DEPT: Auditor-Controller

BOARD AGENDA #: *B-3

Urgent Routine

AGENDA DATE: March 28, 2017

CEO CONCURRENCE: *pht*

4/5 Vote Required: Yes No

JK

SUBJECT:

Approval of the Allocation for State Highway Property Rental Revenue of \$72,211.26.

STAFF RECOMMENDATIONS:

1. Allocate \$18,758.59 for the payment of possessory interest tax bill (ASMT 860-000-576-000) in accordance with section 104.13 (C) of the California Streets and Highways Code.
2. Allocate \$2,769.00 of lease revenue to the City of Modesto and \$26,348.45 of lease revenue to the City of Ceres in accordance with section 104.10 of the California Streets and Highways Code.
3. Allocate \$24,335.22 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.

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. 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 Auditor-Controller's Office. The local revenue must first be used to pay possessory interest tax bills against the property (Staff Recommendation 1). Cities are entitled to one-half of the revenues generated within their jurisdiction (Staff Recommendation 2). 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." 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. This limits distribution to agencies (county and/or cities) that provide transportation services. Since the amount of revenue is relatively small and there is no prescribed methodology for distribution to agencies providing transportation services, we recommend distribution of the discretionary portion entirely to the County Road Fund.

Approval of the Allocation for State Highway Property Rental Revenue of \$72,211.26

POLICY ISSUE:

Allocation of these funds must be determined by the Board of Supervisors per Section 104.10 of the California Streets and Highways Code.

FISCAL IMPACT:

The County General Fund will receive approximately \$4,634.91 of the \$18,758.59 payment of the possessory interest tax bill. In addition, the County Road Fund will receive \$24,335.22 of lease revenue which is restricted to mass transit and streets and highways purposes. Total revenue to the County is estimated at \$28,970.13.

The cities of Ceres and Modesto will receive the remaining \$29,117.45 of lease revenue as described in Staff Recommendation 2.

Total state highway property rental revenue received from the state is \$72,211.26.

BOARD OF SUPERVISORS' PRIORITY:

Approval of this agenda item supports the Board of Supervisors priorities of A Well Planned Infrastructure System with the addition of County Road funds and Efficient Delivery of Public Services with the effective distribution of state revenue.

STAFFING IMPACT:

There are no staffing impacts associated with this agenda item.

CONTACT PERSON:

Todd Filgas Manager III Telephone: 209-525-6597

ATTACHMENT(S):

N/A