

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

DEPT: Auditor-Controller

BOARD AGENDA #: *B-1

AGENDA DATE: September 19, 2017

SUBJECT:

Approval to Adopt the Fiscal Year 2017/2018 Property Tax Rates

BOARD ACTION AS FOLLOWS:

No. 2017-487

On motion of Supervisor Withrow, Seconded by Supervisor Monteith
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:



PAM VILLARREAL, Assistant Clerk

ATTEST:

PAM VILLARREAL, Assistant Clerk

File No.

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

DEPT: Auditor-Controller

BOARD AGENDA #: *B-1

Urgent Routine

AGENDA DATE: September 19, 2017

CEO CONCURRENCE: *pkx*

4/5 Vote Required: Yes No

SPK

SUBJECT:

Approval to Adopt the Fiscal Year 2017/2018 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 of 1.2974% as calculated and 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.

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 redevelopment 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. Secured property

tax is an ad-valorem or value-based tax that applies to secured property. Secured property refers to real property which is an asset that has sufficient value to guarantee payment of taxes levied; such as land. Unsecured property tax is an ad-valorem or value-based tax that applies to unsecured property. Unsecured property refers to property that is not secured by real property; such as airplanes, boats and equipment.

Prior to the passage of the Jarvis-Gann Proposition 13 initiative in 1978, tax rates were 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, Assembly Bill (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 assesse. 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 assesse. 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).

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.

Approval to Adopt the Fiscal Year 2017/2018 Property Tax Rates

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

The Fiscal Year 2017/2018 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 2017/2018. Additionally, debt obligations of the school districts will be met.

POLICY ISSUE:

Section 93 of the Revenue and Taxation Code requires the County to adopt property tax rates.

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 2017/2018 is \$449,561,899. General calculations reflect that Stanislaus County will receive an estimated 13.15% of the total tax charge, which is approximately \$59.1 million.

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 2017/2018.

BOARD OF SUPERVISORS' PRIORITY:

Adoption of the Fiscal Year 2017/2018 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 IMPACT:

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 2017/2018 Property Tax Rates.

CONTACT PERSON:

Todd Filgas Property Tax Manager (209) 525-6597

ATTACHMENT(S):

- A. Stanislaus County Fiscal Year 2017/2018 Property Tax Rates

FISCAL YEAR 2017/2018
PROPERTY TAX RATES

ATTACHMENT A

STANISLAUS COUNTY
FY 2017/2018 PROPERTY TAX RATES

1.	COUNTY GENERAL TAX RATE	1.000000
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2.	BOND AND INTEREST REDEMPTION RATES
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TAX CODE	NAME OF FUND	TAX RATE PERCENTAGES	UNITARY PERCENTAGES
41250	CHATOM ELEM 2006 A	0.0185780	0.0017756509
41260	CHATOM ELEM BOND 2006, SERIES 2007 B	0.0036100	0.0002401515
41620	HART RANSOM BOND 2007, SERIES 2008 B	0.0067760	0.0001181715
41625	HART RANSOM BOND 2016 REFUNDING	0.0186970	0.0001771692
41700	HICKMAN	0.0378450	0.0000184494
42000	KEYES 1996	0.0123750	0.0161357353
42050	KEYES UNION BOND 2005 SERIES 2005	0.0055350	0.0006233540
42075	KEYES UNION BOND 2005 SERIES 2007 B	0.0356230	0.0009929182
42080	KEYES UNION BOND 2005, SERIES 2008 C	0.0114920	0.0008509608
42340	MODESTO 2001	0.0258610	0.0118661913
43100	PARADISE 2003	0.0370790	0.0004194963
43300	RIVERBANK 1993 SER A	0.0712330	0.0028489614
43400	RIVERBANK 1993 SER B	0.0345550	0.0057383660
43600	SALIDA 1988	0.0055300	0.0002975077
44350	STANISLAUS ELECTION OF 2008 SERIES A	0.0230850	0.0017473719
44365	STANISLAUS 2014 GOB REFUNDING (refunds 2008A & 2008B)	0.0136700	0.0010334836
44955	SYLVAN ELECTION OF 2006, SERIES 2010	0.0007790	0.0001191457
44815	SYLVAN 2016 REFUNDING	0.0183990	0.0027861721
45060	TURLOCK GO BOND REFUNDING 2013	0.0103300	0.0028539373
45075	VALLEY HOME 2004 A	0.0142450	0.0008110316
45080	VALLEY HOME 2004 B	0.0075770	0.0006516103
47725	MODESTO 2001	0.0351300	0.0026946438
46260	CERES UNIFIED 2008, SERIES 2009 A	0.0263830	0.0032622123
46270	CERES UNIFIED 2008, SERIES 2009 B	0.0250720	0.0031000559
46275	CERES UNIFIED 2008, SERIES 2010 A	0.0122640	0.0019756773
46280	CERES UNIFIED 2010 GO REFUNDING BONDS	0.0405700	0.0082643638
46285	CERES UNIFIED 2013 GO REFUNDING BONDS	0.0050710	0.0009774339
46290	CERES UNIFIED 2015 GO REEUNDING BONDS	0.0040510	0.0006107439
46450	DENAIR UNIFIED 2001 B	0.0205240	0.0018226548
46470	DENAIR UNIFIED BOND 2007, SERIES 2008	0.0444120	0.0012583127
46480	DENAIR UNIFIED BOND 2007, SERIES 2011	0.0042890	0.0001629005
46490	DENAIR UNIFIED BOND 2012 REFUNDED	0.0428080	0.0015484872
45490	HUGHSON UNIFIED 2007 C	0.0012360	0.0000450698
45493	HUGHSON UNIFIED 2016 GO	0.0689930	0.0026676400
45494	HUGHSON UNIFIED 2016 ELEC 2017 SERIES A GO - First prnt due 2/1/18	0.0071100	0.0002749089
45495	HUGHSON UNIFIED 2016 ELEC 2017 SFID - First Prnt Due 2/1/18	0.0154590	0.0004058410
46950	NEWMAN\CROWSLNDG 2007 REFUNDING	0.0254070	0.0055397738
46955	NEWMAN\CROWSLNDG 2008 REFUNDING	0.0268860	0.0032672733
46960	NEWMAN\CROWSLNDG ELECTION 2008, SERIES A	0.0220560	0.0028539799
46970	NEWMAN\CROWSLNDG ELECTION 2008, SERIES 2010	0.0106830	0.0020447177
46975	NEWMAN\CROWSLNDG 2016 GOB REF	0.0580300	0.0060353880
46980	NEWMAN\CROWSLNDG 2016 GOB SER A - Beg 8/1/17	0.0057530	0.0005983894
46984	NEWMAN\CROWSLNDG 2017 GOB REFUNDING - Beg 8/1/17	0.0605950	0.0063021742
47075	OAKDALE 2017 GO REFUNDING - Beg 8/1/17	0.0302820	0.0049714215
47100	PATTERSON 1996 A	0.0099530	0.0109964602
47200	PATTERSON 2001 A	0.0423640	0.0608758961
47255	PATTERSON 2008 A	0.0101790	0.0024428449
47260	PATTERSON 2016A GOF REF	0.0182610	0.0028853688
47270	RIVERBANK ELECTION 2005 SERIES 2008 A	0.0053330	0.0003344519
47275	RIVERBANK USD 2015 GOB REFUNDING	0.0570380	0.0021443688
46030	TURLOCK 2015 GO REFUNDING BOND	0.0334230	0.0102819896
46035	TURLOCK SFID - 2015 GO REFUNDING BOND	0.0098440	0.0024385478
46040	TURLOCK 2016 SERIES 2017 GO REFUNDING BOND - First Prnt Due 2/1/18	0.0223820	0.0062800923
46045	TURLOCK SIFA 2016 SERIES 2017 GO REFUNDING BOND - First Prnt Due - 2/1/18	0.0291610	0.0065890371
47400	WATERFORD 1998	0.0843090	0.0071125923
47860	YOSEMITE 2004, SERIES 2008 C	0.0075850	0.0239030535
47870	YOSEMITE 2004, SERIES 2010 D	0.0003590	0.0000000000
47880	YOSEMITE 2012 REFUNDING	0.0087530	0.0284509515
47890	YOSEMITE 2015 REFUNDING (Fully Refunds 2005A and Partial 2008C after 8/1/15)	0.0073710	0.0199225962
40910	OAK VALLEY HOSPITAL 2014 REFUNDING	0.0570490	0.0000000000
			0.2974482

3.	LEVIED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.297433
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4.	LOWER SAN JOAQUIN LEVEE DISTRICT TAX RATE	0.871400
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