

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

DEPT: Auditor-Controller

BOARD AGENDA: 6.B.1
AGENDA DATE: September 18, 2018

SUBJECT:

Approval to Adopt the Fiscal Year 2018/2019 Property Tax Rates

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2018-0459

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

Ayes: Supervisors: Olsen, Chiesa, Withrow, Monteith, and Chairman DeMartini


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: 
ELIZABETH A. KING, Clerk of the Board of Supervisors

File No.

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

DEPT: Auditor-Controller

BOARD AGENDA:6.B.1
AGENDA DATE: September 18, 2018

CONSENT:

CEO CONCURRENCE: YES

4/5 Vote Required: No

SUBJECT:

Approval to Adopt the Fiscal Year 2018/2019 Property Tax Rates

STAFF RECOMMENDATION:

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 Sections 93(a) and 93(c).
3. Adopt the Countywide Unitary Tax rate of 1.34376% 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 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 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).

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 rates, the countywide unitary tax rate and the Lower San Joaquin Levee District tax rate.

The Fiscal Year 2018/2019 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 2018/2019. 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 2018/2019 is \$475,259,093. General calculations reflect that Stanislaus County will receive an estimated 13.14% of the total tax charge, which is approximately \$62.4 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 2018/2019.

BOARD OF SUPERVISORS' PRIORITY:

The recommended actions are consistent with the Board of Supervisors' priorities of *Supporting Strong and Safe Neighborhoods, Supporting Community Health, Developing a Healthy Economy, Promoting First-Rate Learning, and Delivering Efficient Public Services and Community Infrastructure* by providing revenue to support the County departments in these priority areas.

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 2018/2019 Property Tax Rates.

CONTACT PERSON:

Todd Filgas, Property Tax Manager

(209) 525-6597

ATTACHMENT(S):

1. Fiscal Year 2018/2019 Property Tax Rates

FISCAL YEAR 2018/2019
PROPERTY TAX RATES

ATTACHMENT A

STANISLAUS COUNTY
FY 2018/2019 PROPERTY TAX RATES

1.	COUNTY GENERAL TAX RATE	1.000000
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2. BOND AND INTEREST REDEMPTION RATES

TAX CODE	NAME OF FUND	TAX RATE PERCENTAGES	UNITARY PERCENTAGES
41250	CHATOM ELEM 2006 A	0.0189460	0.0021729859
41260	CHATOM ELEM BOND 2006, SERIES 2007 B	0.0035270	0.0002806294
41620	HART RANSOM BOND 2007, SERIES 2008 B	0.0097610	0.0002025067
41625	HART RANSOM BOND 2016 REFUNDING	0.0226030	0.0002542551
42000	KEYES 1996	0.0089760	0.0200075136
42050	KEYES UNION BOND 2005 SERIES 2005	0.0087140	0.0012101876
42075	KEYES UNION BOND 2005 SERIES 2007 B	0.0343900	0.0011591870
42080	KEYES UNION BOND 2005, SERIES 2008 C	0.0147300	0.0013330951
42340	MODESTO 2001	0.0270130	0.0145502948
43100	PARADISE 2003	0.0387940	0.0005255482
43400	RIVERBANK 1993 SER B	0.0333850	0.0066913638
43600	SALIDA 1988	0.0055950	0.0003492359
44350	STANISLAUS ELECTION OF 2008 SERIES A	0.0245080	0.0021987733
44365	STANISLAUS 2014 GOB REFUNDING	0.0128770	0.0011539116
44955	SYLVAN ELECTION OF 2006, SERIES 2010	0.0008070	0.0001469374
44815	SYLVAN 2016 REFUNDING	0.0159090	0.0027203396
44820	SYLVAN 2017 GOB	0.0043540	0.0007762884
45060	TURLOCK GO BOND REFUNDING 2013	0.0047850	0.0015590859
45085	VALLEY HOME 2017 GOB	0.0322910	0.0005068347
47725	MODESTO 2001	0.0368130	0.0033262506
46275	CERES UNIFIED 2008, SERIES 2010 A	0.0036680	0.0006975379
46280	CERES UNIFIED 2010 GO REFUNDING BONDS	0.0424900	0.0102306658
46290	CERES UNIFIED 2015 GO REEUNDING BONDS	0.0040750	0.0007250764
46295	CERES UNIFIED 2016 GO CROSSOVER REFUNDING BOND	0.0404870	0.0066650905
46297	CERES 2017 GOB	0.0072540	0.0011941813
46450	DENAIR UNIFIED 2001 B	0.0209630	0.0021846538
46470	DENAIR UNIFIED BOND 2007, SERIES 2008	0.0464470	0.0015355229
46480	DENAIR UNIFIED BOND 2007, SERIES 2011	0.0058390	0.0002590068
46490	DENAIR UNIFIED BOND 2012 REFUNDED	0.0486680	0.0020556757
45493	HUGHSON UNIFIED 2016 GO	0.0392090	0.0018355346
45494	HUGHSON UNIFIED 2016 ELEC 2017 SERIES A GO	0.0069540	0.0003255435
45495	HUGHSON UNIFIED 2016 ELEC 2017 SFID	0.0133040	0.0004242885
46960	NEWMAN\CROWSLNDG ELECTION 2008, SERIES A	0.0226830	0.0035383113
46970	NEWMAN\CROWSLNDG ELECTION 2008, SERIES 2010	0.0110830	0.0025698242
46975	NEWMAN\CROWSLNDG 2016 GOB REF	0.0369620	0.0046251655
46980	NEWMAN\CROWSLNDG 2016 GOB SER A	0.0103360	0.0012933302
46984	NEWMAN\CROWSLNDG 2017 GOB REFUNDING	0.0012020	0.0001504429
47075	OAKDALE 2017 GO REFUNDING	0.0277460	0.0054399882
47100	PATTERSON 1996 A	0.0099100	0.0136513640
47200	PATTERSON 2001 A	0.0429130	0.0779538635
47255	PATTERSON 2008 A	0.0110780	0.0032003520
47260	PATTERSON 2016A GOF REF	0.0168090	0.0031864629
47270	RIVERBANK ELECTION 2005 SERIES 2008 A	0.0053830	0.0004026218
47275	RIVERBANK USD 2015 GOB REFUNDING	0.0680430	0.0030419928
46030	TURLOCK 2015 GO REFUNDING BOND	0.0376460	0.0139173532
46035	TURLOCK SFID - 2015 GO REFUNDING BOND	0.0069450	0.0020694135
46040	TURLOCK 2016 SERIES 2017 GO REFUNDING BOND	0.0306270	0.0103238166
46045	TURLOCK SIFA 2016 SERIES 2017 GO REFUNDING BOND	0.0275800	0.0074935626
47400	WATERFORD 1998	0.0846300	0.0084957945
47860	YOSEMITE 2004, SERIES 2008 C	0.0090930	0.0339647296
47870	YOSEMITE 2004, SERIES 2010 D	0.0004100	0.0013509156
47880	YOSEMITE 2012 REFUNDING	0.0079620	0.0306823992
47890	YOSEMITE 2015 REFUNDING	0.0085090	0.0271653887
40910	OAK VALLEY HOSPITAL 2014 REFUNDING	0.0410620	0.0000000000
			0.3437751

3.	LEVIED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.343760
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4.	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	0.999985074
BOND RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	0.343775095
CALCULATED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.343760169
LEVIED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.343760