

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

DEPT: Auditor-Controller

BOARD AGENDA # *B-2

Urgent Routine

AGENDA DATE September 1, 2009

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Adopt the 2009/2010 Property Tax Rates - Auditor-Controller

STAFF RECOMMENDATIONS:

1. Adopt the 1% 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 2009/2010 is \$348,096,198. Stanislaus County will receive an estimated 10.83% of the total tax charge, which is approximately \$37.7 million.

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BOARD ACTION AS FOLLOWS:

No. 2009-555

On motion of Supervisor Chiesa, Seconded by Supervisor O'Brien

and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Grover, and Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: Monteith

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

Christine Ferraro

ATTEST: CHRISTINE FERRARO TALLMAN, 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 will be 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 2009/2010.

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 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 Prop 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. Individual tax rates by code area are presented on Attachment A, included with this report.

In 1988, AB454 and AB2890 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 were 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

DISCUSSION (continued):

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 will report a single value for these properties that will be placed in the new 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 2009/2010 tax rates for bond and interest redemption are shown on Attachment A, included with this report.

If expected results are achieved, the fiscal year 2009/2010 property tax bills will be produced and mailed to property tax owners in September. 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 2009/2010. 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 2009/2010 Property Tax Rates will provide needed revenues to help fund the Board of Supervisors' priorities.

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 2009/2010 Property Tax Rates.

2009/2010 PROPERTY TAX RATES

ATTACHMENT A

STANISLAUS COUNTY
BOND AND INTEREST REDEMPTION
2009/10 TAX RATES

TAX CODE	NAME OF FUND	TAX RATE PERCENTAGES	AB454 PERCENTAGES
40900	OAK VALLEY HOSP--BOND 2005 ISSUE	0.055000	0.0000000000
41250	CHATOM ELEM--BOND 2006 A	0.027247	0.0003905210
41260	CHATOM ELEM BOND 2006, SERIES 2007 B	0.001091	0.0001769590
41610	HART RANSOM BOND 2007, SERIES 2008 A	0.030599	0.0034271300
41620	HART RANSOM BOND 2007, SERIES 2008 B	0.003392	0.0016858260
41700	HICKMAN ELEM--BOND	0.053094	0.0000000000
42000	KEYES ELEM--BOND 1996 ISSUE	0.036420	0.0000000720
42050	KEYES ELEM--BOND 2005 ISSUE SERIES A	0.040379	0.0000090580
42075	KEYES ELEM--BOND 2005 ISSUE SERIES B	0.012142	0.0000107930
42080	KEYES UNION BOND 2005, SERIES 2008 C	0.013757	0.0000830240
42340	MODESTO ELEM - BOND 2001	0.023438	0.0179816700
43100	PARADISE ELEM--BOND 2003	0.030749	0.0000000000
43300	RIVERBANK ELEM--BOND 1993A ISSUE	0.052558	0.0000000050
43400	RIVERBANK ELEM--BOND 1993B ISSUE	0.028009	0.0000000000
43450	RIVERBANK ELEM--BOND 2005A ISSUE	0.050643	0.0001326750
43600	SALIDA ELEM--BOND 1988 ISSUE	0.006784	0.0000000000
44300	STANISLAUS ELEM--BOND 2001 ISSUE	0.025224	0.0000000010
44350	STANISLAUS ELEM--BOND ELECTION 2008 SERIES A	0.022690	0.0273171570
44800	SYLVAN ELEM--BOND 2002 ISSUE	0.031258	0.0000002380
44950	SYLVAN ELEM--BOND ELECTION OF 2006 SERIES 2007	0.019773	0.0023039130
45050	TURLOCK JT ELEM--2004 ISSUE	0.015681	0.0001359800
45055	TURLOCK SFID--GO BOND ISSUE 2007	0.011925	0.0029413970
45075	VALLEY HOME JT--2004 ISSUE SERIES A	0.020468	0.0000108670
45080	VALLEY HOME JT--2004 ISSUE SERIES B	0.004425	0.0000029860
45450	HUGHSON HIGH--BOND 2003 ISSUE	0.028310	0.0000016130
47725	MODESTO HIGH--2001 ISSUE	0.027609	0.0009324190
46025	TURLOCK HIGH--BOND 2007 ISSUE	0.007452	0.0021892660
46200	CERES UNIF--BOND 2001 ISSUE	0.041742	0.0000013680
46260	CERES UNIF BOND 2008, SERIES 2009 A	0.038399	0.0369481010
46270	CERES UNIF BOND 2008, SERIES 2009 B	0.016555	0.0159295110
46400	DENAIR UNIF--BOND 2001 ISSUE A	0.036930	0.0000001620
46450	DENAIR UNIF--BOND 2001 ISSUE B	0.014919	0.0000005310
46470	DENAIR UNIFIED BOND 2007, SERIES 2008	0.046288	0.0005164480
45475	HUGHSON UNIFIED--BOND 2004 ISSUE SERIES A	0.041439	0.0000161030
45485	HUGHSON UNIFIED--BOND 2004 ISSUE SERIES B	0.016819	0.0001762680
45490	HUGHSON UNIFIED BOND 2007 C	0.002017	0.0005437630
46800	NEWMAN\CROWSLNDG BOND 2001	0.014467	0.0000000000
46900	NEWMAN\CROWSLNDG BOND 2002	0.018946	0.0000000000
46950	NEW-CROWS UNIF--BOND 2007 REFUNDING	0.039419	0.0003016960
46955	NEWMAN\CROWSLNDG 2008 REFUNDING	0.012033	0.0007187800
46960	NEWMAN\CROWSLNDG BOND ELECTION 2008, SERIES 2009	0.044250	0.0113986590
47050	OAKDALE UNIFIED--2002 ISSUE SERIES A	0.022373	0.0000024270
47060	OAKDALE UNIFIED--2002 ISSUE SERIES B	0.010963	0.0000721230
47070	OAKDALE UNIFIED--2002 ISSUE SERIES C	0.010584	0.0004408640
47100	PATTERSON UNIF--BOND 1996 ISSUE	0.016057	0.0000000460
47200	PATTERSON UNIF--BOND 2001 A ISSUE	0.060125	0.0000001950
47250	PATTERSON UNIF--BOND 2001 B ISSUE	0.011381	0.0000407750
47270	RIVERBANK ELECTION 2005 SERIES 2008 A	0.010420	0.0001685230
46050	TURLOCK UNIF--BOND 2007 REFUNDING	0.032649	0.0096917420
47400	WATERFORD UNIF--BOND 1998 ISSUE	0.102693	0.0000000000
47800	YOSEMITE 2004, SERIES 2005 A	0.007565	0.0007279810
47860	YOSEMITE 2004, SERIES 2008 C	0.012587	0.0573362200
		1.3617370000	
	GENERAL RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	0.999986477	
	BOND RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	0.194765856	
	CALCULATED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.194752333	
	LEVIED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA	1.194753	