

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

DEPT: Auditor-Controller *SK*

BOARD AGENDA # *B-2

Urgent Routine

AGENDA DATE August 28, 2012

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Adopt the 2012/2013 Property Tax Rates

STAFF RECOMMENDATIONS:

1. Adopt the 1% tax rate authorize 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 2012/2013 is \$320,686,208. Stanislaus County will receive an estimated 10.50% of the total tax charge, which is approximately \$33.7 million.

continued on Page 2

BOARD ACTION AS FOLLOWS:

No. 2012-433

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

Ayes: Supervisors: Chiesa, Withdraw, Monteith, De Martini, and Chairman O'Brien

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) 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 Year 2012/2013.

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 the newly formed successor agencies (former 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 debt issue 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 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 2012/2013 tax rates for bond and interest redemption are shown on Attachment A, included with this report.

If expected results are achieved, the Fiscal Year 2012/2013 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 2012/2013. 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 2012/2013 Property Tax Rates will provide needed revenues to help fund the Board of Supervisors' priorities of a Safe Community, 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 2012/2013 Property Tax Rates.

CONTACT PERSON:

Todd Filgas, Property Tax Division Manager
Telephone: 525-6597

2012/2013 PROPERTY TAX RATES

ATTACHMENT A

STANISLAUS COUNTY
BOND AND INTEREST REDEMPTION
2012/13 TAX RATES

| TAX CODE | NAME OF FUND | TAX RATE PERCENTAGES | AB454 PERCENTAGES |
|-------------|--|-------------------------|----------------------|
| 40900 | OAK VALLEY HOSPITAL 2005 | 0.0998910 | 0.0113458879 |
| 41250 | CHATOM ELEM 2006 A | 0.0277370 | 0.0013653635 |
| 41260 | CHATOM ELEM BOND 2006, SERIES 2007 B | 0.0030860 | 0.0001518818 |
| 41610 | HART RANSOM BOND 2007, SERIES 2008 A | 0.0327410 | 0.0004747017 |
| 41620 | HART RANSOM BOND 2007, SERIES 2008 B | 0.0053810 | 0.0000780055 |
| 41700 | HICKMAN | 0.0455370 | 0.0001608845 |
| 42000 | KEYES 1996 | 0.0380720 | 0.0006414166 |
| 42050 | KEYES UNION BOND 2005 SERIES 2005 | 0.0222740 | 0.0003752513 |
| 42075 | KEYES UNION BOND 2005 SERIES 2007 B | 0.0413330 | 0.0006963453 |
| 42080 | KEYES UNION BOND 2005, SERIES 2008 C | 0.0130060 | 0.0002191117 |
| 42340 | MODESTO 2001 | 0.0305430 | 0.0213052098 |
| 43100 | PARADISE 2003 | 0.0322350 | 0.0000609025 |
| 43300 | RIVERBANK 1993 SER A | 0.0709030 | 0.0043630544 |
| 43400 | RIVERBANK 1993 SER B | 0.0362350 | 0.0022297293 |
| 43450 | RIVERBANK ELECTION 2005 SERIES 2005 A | 0.0654290 | 0.0040262001 |
| 43600 | SALIDA 1988 | 0.0079850 | 0.0003538485 |
| 44300 | STANISLAUS 2001 | 0.0125750 | 0.0005420602 |
| 44350 | STANISLAUS ELECTION OF 2008 SERIES A | 0.0364530 | 0.0021117443 |
| 44360 | STANISLAUS ELECTION OF 2008 SERIES B | 0.0088620 | 0.0005133830 |
| 44810 | SYLVAN 2011 REFUNDING | 0.0100938 | 0.0008433042 |
| 44950 | SYLVAN ELECTION OF 2006, SERIES 2007 | 0.0272780 | 0.0037976356 |
| 45050 | TURLOCK GO BOND 2004 | 0.0183710 | 0.0026807459 |
| 45055 | TURLOCK SFID GO BOND 2007 | 0.0162090 | 0.0023966395 |
| 45075 | VALLEY HOME 2004 A | 0.0230010 | 0.0001090094 |
| 45080 | VALLEY HOME 2004 B | 0.0070970 | 0.0000336323 |
| 45475 | HUGHSON UNIFIED 2004 A | 0.0368530 | 0.0021222133 |
| 45485 | HUGHSON UNIFIED 2004 B | 0.0249910 | 0.0014391359 |
| 45490 | HUGHSON UNIFIED 2007 C | 0.0027690 | 0.0001594554 |
| 46025 | TURLOCK UNIF 2007 | 0.0091610 | 0.0016474201 |
| 46050 | TURLOCK GO BOND 2007 REFUNDING | 0.0459300 | 0.0082598907 |
| 46260 | CERES UNIFIED 2008, SERIES 2009 A | 0.0371680 | 0.0034647968 |
| 46270 | CERES UNIFIED 2008, SERIES 2009 B | 0.0283150 | 0.0026394981 |
| 46280 | CERES UNIFIED 2010 GO REFUNDING BONDS | 0.0510080 | 0.0047549340 |
| 46450 | DENAIR UNIFIED 2001 B | 0.0193710 | 0.0007105924 |
| 46470 | DENAIR UNIFIED BOND 2007, SERIES 2008 | 0.0534490 | 0.0019606909 |
| 46480 | DENAIR UNIFIED BOND 2007, SERIES 2011 | 0.0060640 | 0.0002224472 |
| 46490 | DENAIR UNIFIED BOND 2012 REFUNDED | 0.0452210 | 0.0016588485 |
| 46950 | NEWMAN\CROWSLNDG 2007 REFUNDING | 0.0632830 | 0.0025731558 |
| 46955 | NEWMAN\CROWSLNDG 2008 REFUNDING | 0.0485940 | 0.0019758627 |
| 46960 | NEWMAN\CROWSLNDG ELECTION 2008, SERIES 2009 A | 0.0620460 | 0.0025228384 |
| 46970 | NEWMAN\CROWSLNDG ELECTION 2008, SERIES 2010 B | 0.0035000 | 0.0001422906 |
| 47050 | OAKDALE 2002 A | 0.0245630 | 0.0023649729 |
| 47060 | OAKDALE 2002 B | 0.0121380 | 0.0011686511 |
| 47070 | OAKDALE 2002 C | 0.0119580 | 0.0011513552 |
| 47100 | PATTERSON 1996 A | 0.0180160 | 0.0013782457 |
| 47200 | PATTERSON 2001 A | 0.0741080 | 0.0056695355 |
| 47250 | PATTERSON 2001 B | 0.0120520 | 0.0009220243 |
| 47270 | RIVERBANK ELECTION 2005 SERIES 2008 A | 0.0106980 | 0.0006582970 |
| 47400 | WATERFORD 1998 | 0.1208030 | 0.0013159313 |
| 47725 | MODESTO 2001 | 0.0381550 | 0.0528123158 |
| 47860 | YOSEMITE 2004, SERIES 2008 C | 0.0208920 | 0.0588934794 |
| 47870 | YOSEMITE 2004, SERIES 2010 D | 0.0003990 | 0.0011223838 |
| 47880 | YOSEMITE 2012 REFUNDING | 0.0074690 | 0.0210531062 |
| | | 1.6213018000 | 0.2456403179 |
| | GENERAL RATE FOR COUNTY WIDE UNITARY TAX RATE AREA | 0.999982217 | |
| | BOND RATE FOR COUNTY WIDE UNITARY TAX RATE AREA | 0.245640318 | |
| | CALCULATED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA | 1.245622535 | |
| | LEVIED TAX RATE FOR COUNTY WIDE UNITARY TAX RATE AREA | 1.245623 | |