



CHIEF EXECUTIVE OFFICE

Stan Risen
Chief Executive Officer

Patricia Hill Thomas
Chief Operations Officer/
Assistant Executive Officer

Keith D. Boggs
Assistant Executive Officer

1010 10th Street, Suite 6800, Modesto, CA 95354
Post Office Box 3404, Modesto, CA 95353-3404

Phone: 209.525.6333 Fax 209.544.6226

Stanislaus County and Cities Nearing Resolution on Property Tax Administration Fee Dispute

For Immediate Release
December 18, 2013

Contact: Jack Doering
(209) 525-6376

Stanislaus County – Stanislaus County and eight local cities are nearing a final joint settlement agreement on an outstanding issue of the calculation of a property tax administration fee for assessing, collecting and allocating property tax revenues pursuant to the Revenue and Taxation Code. Officials have agreed on settlement terms and the agreement will be official after each city signs the settlement agreement which is expected within the next 30 days. The cities in the joint settlement agreement include Ceres, Hughson, Modesto, Oakdale, Patterson, Riverbank, Turlock and Waterford. The ability of the County and cities to successfully work together and find a common agreement benefits the public by avoiding a potentially lengthy and costly publicly financed legal battle. The County continues to work with the City of Newman to resolve the dispute as they are not participating in the joint agreement.

A California Supreme Court decision in November 2012, *City of Alhambra, et al. v. County of Los Angeles*, held that a complex calculation used by counties to charge for property tax administration fees resulted in counties overcharging cities for this service. As a result, Stanislaus County cities claimed the County should stop collection of the disputed administration fee and reimburse cities for a portion of previous years' fees. The County disputed the reimbursement request, however, the County stopped collection during Fiscal Year 2012-2013. The County and cities have reached a settlement agreement on this issue. Through the agreement, Stanislaus County will pay a total of \$2,870,165.64 to local cities (see the allocation table by city attached to this release). The County has already paid back \$410,630.90 during May 2013, leaving a balance of \$2,459,534.74. The balance of these funds will be distributed by lump sum payments to each city within 30-days of their signed settlement agreement or within 30 days of their dismissing their lawsuit against the County on this subject. Based on when a city preserved their rights, the settlement agreement will include 3 ½ - 4 ½ years of back payments.

#####