



## Legislation Text

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**TO:** Board of Supervisors  
**FROM:** Tracy Schulze - Auditor-Controller  
**REPORT BY:** Raymond Francis - Accountant-Auditor I  
**SUBJECT:** Property Tax Administrative Fee Cost Allocation for Public Entities Fiscal Year 2021-22

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### **RECOMMENDATION**

Auditor-Controller requests the Board to accept, and instruct the Clerk of the Board to file, the report for the property tax administrative fee cost allocation to public entities in Napa County for Fiscal Year 2022-23 for services rendered in Fiscal Year 2021-22 as authorized by Chapter 3.44 of the Napa County Code and Section 95.3 of the Revenue and Taxation Code.

### **EXECUTIVE SUMMARY**

The annual review and report regarding the property tax administrative fee cost allocation is to be prepared by the Auditor-Controller following the end of each fiscal year. Fee revenues will be recognized in Fiscal Year 2022-23 for the participating departments that have incurred the costs in Fiscal Year 2021-22.

### **FISCAL & STRATEGIC PLAN IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Revenue is budgeted in the appropriate budget units that incurred the costs of administering the services
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	To recover the costs of property tax related services being provided to local entities, the appropriate allocation is calculated by the Auditor-Controller every year, in accordance with Revenue and Taxation Code 95.3. Revenues for the current year amount to \$679,873.
Consequences if not approved:	The departments incurring the costs will not realize these revenues
County Strategic Plan pillar addressed:	Effective and Open Government

### **ENVIRONMENTAL IMPACT**

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

### **BACKGROUND AND DISCUSSION**

The Board approved Ordinance No. 1398 for Chapter 3.44 of the Napa County Code for the property tax administrative fee on March 3, 2015. The California Revenue and Taxation Code Section 95.3 was enacted to allow counties to recover actual costs of assessing, collecting and allocating property taxes from all local public entities excepting schools. This item is specifically exempt from the voting requirements of Article XIIC of the California Constitution because it is an assessment or property related fee imposed in accordance with the provisions of Article XIID; a reimbursement for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

The Auditor-Controller has issued a report regarding the actual costs incurred by the County during the previous fiscal year for assessing, collecting, and allocating property taxes, including the applicable overhead costs as permitted by Federal 2 CFR Part 225 standards. The administrative fee is a reimbursement from each incorporated city and local taxing jurisdiction as its proportionate share of the administrative costs incurred by the County during Fiscal Year 2021-22, and will be recognized as revenue in Fiscal Year 2022-23.

School entities are specifically exempt from this fee, although they benefit from the services provided and their unrecovered allocation totals \$2,706,576 as noted in Attachment A.

The proposed cost allocation reflects a net billable amount of \$679,873, which compared to prior year's net billable amount of \$731,832 is a decrease of \$51,959, or 7.10%.

The Auditor-Controller requests the Board to accept and file the report.