



A Tradition of Stewardship  
A Commitment to Service

Agenda Date: 5/9/2017

Agenda Placement: 6V

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors

**FROM:** Tracy Schulze - Auditor-Controller  
Auditor - Controller

**REPORT BY:** Christy Redford, Property Tax Specialist - 707 253-4577

**SUBJECT:** Property Tax Administrative Fee Cost Allocation for Public Entities FY 2015-16

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### **RECOMMENDATION**

Auditor-Controller requests the Board 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 2016-2017 for services rendered in Fiscal Year 2015-2016 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 the participating departments incurring the costs for the Fiscal Year 2016-17.

### **FISCAL 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. Expected revenue for the current year amount to \$664,563.

Consequences if not approved: The departments incurring the costs will not realize these revenues.

Additional Information:

### **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 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 (OMB Circular A-87) standards. The administrative fee is a reimbursement from each incorporated city and local jurisdiction as its proportionate share of the administrative costs incurred by the County during Fiscal Year 2015-16, and will be recognized as revenue in Fiscal Year 2016-17. School entities are specifically exempt from this fee, although they benefit from the services provided.

The proposed cost allocation reflects a net billable amount of \$664,563, which is a decrease of (\$7,856), or -1.2%, over the prior year. This decrease is the net effect of normal inflationary cost increases offset by higher department revenue reimbursements. For 16-17, the schools share of the allocation factors are slightly higher resulting in a greater amount of non-billable costs.

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 report is presented as an informational item to the Board. The Auditor-Controller requests the Board to accept and file the report.

This item does not fall under the voting requirements of Article XIII C of the California Constitution since it is 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.

### **SUPPORTING DOCUMENTS**

A . Attachment A Property Tax Admin Fee 15-16 Actuals

CEO Recommendation: Approve

Reviewed By: Bret Prebula