



# Property Tax Highlights

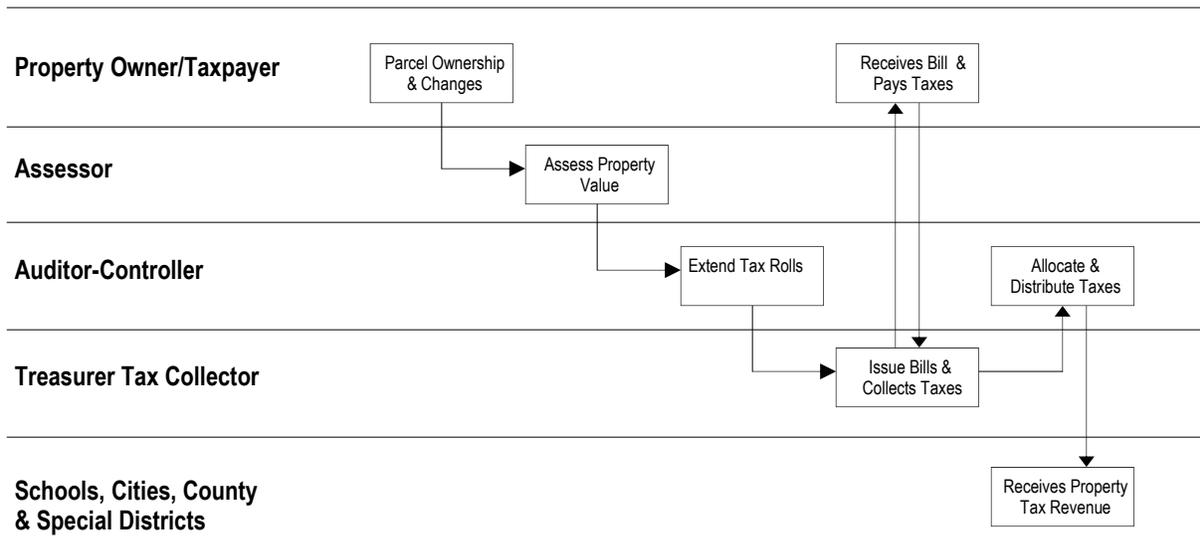
County of Santa Barbara

Fiscal Year July 1, 2003 to June 30, 2004

## PROPERTY TAX PROCESS

The Property Tax Highlights is intended to provide an overview of the property tax process in Santa Barbara County. We have included highlights of current results and a broad description of how the property tax is generated from the taxpayers and distributed to local government agencies. The highlights can be viewed on line at [www.co.santa-barbara.ca.us/auditor](http://www.co.santa-barbara.ca.us/auditor). You can also e-mail us with comments or questions at [geis@co.santa-barbara.ca.us](mailto:geis@co.santa-barbara.ca.us).

### THE FOLLOWING DIAGRAM DEPICTS THE FLOW OF THE PROPERTY TAX PROCESS



Today it is the California schools, counties, cities and special districts that depend on property tax as a primary source of revenue. Property tax raised \$383 million for local governments within the boundaries of Santa Barbara County during fiscal year 2002-03 and is expected to generate \$410 million for fiscal year 2003-04. These funds are allocated as follows: school districts and community colleges 59%, county 20%, special districts 11%, cities 5% and redevelopment agencies 5%.

The Proposition 13 property tax initiative approved overwhelmingly by California voters in 1978 is the basis for the current tax process. Prop. 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds. It limits property tax increases to 2% per year on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel.

Since the passage of Prop. 13, the California legislature and the voters have continually altered, interpreted, and implemented changes in the property tax laws. We hope this publication helps to explain some of the complexities of Prop. 13 and subsequent statutes that govern the property tax process.

*Under Prop 13, similar properties can have substantially different assessed values based on the date of purchase.*

### THREE ELECTED COUNTY OFFICIALS PROVIDE MANY OF THE CHECKS AND BALANCES THAT GOVERN THIS TAX PROCESS

**Joseph E. Holland CPFO**  
County Clerk, Recorder and Assessor  
(805) 568-2550

**Robert W. Geis CPA, CPFO**  
Auditor-Controller  
(805) 568-2181

**Bernice James**  
Treasurer Tax-Collector  
(805) 568-2920

# PARCEL OWNERSHIP AND TAXPAYERS

Principle Taxpayers FY 2003-04	Type of Business	Assessed Value (in thousands)	% of Total Assessed Value
Exxon Corporation	Oil	\$437,359,281	1.07%
Verizon California Inc	Utility	210,994,360	.52%
1260 BB Property, LLC (Biltmore)	Hotel	170,061,299	.42%
Southern California Gas Company	Utility	153,452,901	.38%
HT-Santa Barbara (Bacara)	Hotel	145,000,000	.36%
Pacific Offshore Pipeline Company	Oil	112,047,080	.27%
Southern California Edison Company	Utility	81,192,052	.20%
Redevelopment Agency of SB	Various	78,706,006	.19%
Parker Fess Doubletree Hotel	Hotel	71,821,555	.18%
Pacific Gas & Electric Co.	Utility	67,344,260	.16%
<b>Total</b>		<b>1,527,978,794</b>	<b>3.75%</b>

**The owners of property in Santa Barbara County are responsible for the timely payments of taxes and late penalties can be significant.**

Major Reappraisals	Base 2002-03	Change 2003-04	Base 2003-04
2% Prop. 13 CPI Adjustment			
Property Ownership Changes			
New Construction Permitted			
Other			
<b>Total</b>	<b>38,604,485,000</b>	<b>2,663,372,000</b>	<b>41,267,857,000</b>

*This breakdown of reappraisals is currently unavailable.*

Annually, whoever owns taxable property on January 1 (the lien date) becomes liable for property tax based on the value of the property. The assessed value for most property is the prior year's assessed value adjusted for inflation up to 2%. However, if there has been a change in ownership the new assessed value will be the market value of the property that changed ownership. New construction value is added to the property's prior base values.

The top ten taxpayers make up only 3.75% of total valuation. This is an indicator that the county has diversification within its tax base.

The County has 122,841 parcels that include both residential (homes, condos and apartments) and non-residential (businesses, hotels, retail, etc.) property. Utilities and railroads are valued across multiple parcels. Personal property (machinery and equipment) is taxable where it has established "permanent status"; while vessels (boats) are assessed where moored and aircraft are taxed at the location of the airport.

Reappraisal based on ownership changes accounted for the major increase in valuation change last year. New construction was also significant and the 2% inflation adjustment adds significantly to the increase in base value.

## ASSESSOR VALUES PROPERTY

### Historical Assessed Value of Property in the County (in billions)

Fiscal Year	Assessed Valuation	Percent Increase
78-79	6.4	9.8%
79-80	7.2	13.3%
80-81	8.3	14.6%
81-82	9.3	12.3%
82-83	10.3	10.8%
83-84	11.1	7.3%
84-85	12.4	12.5%
85-86	13.7	10.4%
86-87	14.9	8.4%
87-88	16.2	9.0%
88-89	17.6	8.5%
89-90	19.2	9.2%
90-91	21.2	10.5%
91-92	22.6	6.4%
92-93	23.5	4.1%
93-94	24.5	4.1%
94-95	24.8	1.2%
95-96	25.3	2.1%
96-97	26.0	2.8%
97-98	27.1	3.9%
98-99	28.7	6.0%
99-00	30.4	6.0%
00-01	33.0	8.4%
01-02	35.9	8.7%
02-03	38.6	7.6%
03-04	41.3	6.9%

The primary responsibility of the County Assessor is to determine taxable value of each property so that each owner is assured of paying the proper amount of property tax for the support of local government. The main categories of taxable property include real property, personal property, vessels and aircraft. Real property is defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines. Personal property includes items such as machinery, equipment, office tools and supplies. It is important to note that there are numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

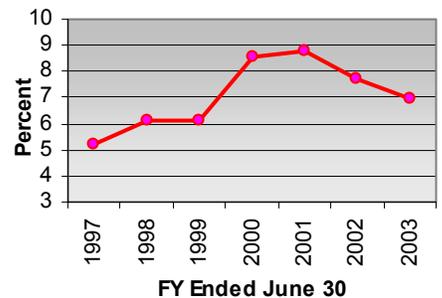
Assessed value is determined and enrolled to the person owning it on January 1, which is the tax lien date. As an example, property change in ownership (sales) and new construction (captured from permits) during the prior calendar year 2002 are valued and enrolled as of January 1, 2003. The 2% inflation adjustment is applied along with exemptions and other appraisable events. The value of \$41.3 billion as of January 1, 2003 is then taxed for the fiscal year July 1, 2003 to June 30, 2004.

#### Other significant processes are:

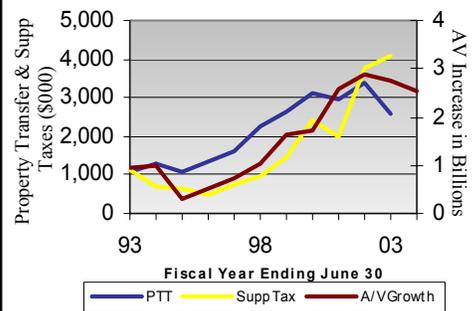
- A Supplemental roll places reappraisals into immediate effect on the completion date rather than waiting for the next lien date; resulting in the capture of tax for a portion of the current fiscal year.
- A Unitary roll contains properties such as railroads and utilities crossing the county and is valued by the State Board of Equalization.
- An assessment appeals process allows taxpayer to dispute values through administrative and judicial processes.

**The leading indicators of property tax growth are property transfer tax and supplemental property tax growth rates, which are trending downward in FY 02-03, reflecting the slowing of assessed value growth.**

—Annual Change in Assessed Value of Property in the County



—Assessed Value Growth vs Property Transfer Tax & Supplement



# AUDITOR-CONTROLLER PREPARES TAX ROLL

3-Year Total Tax Levy	
Fiscal Year	Amount
2001-02	\$385,176,700
2002-03	\$414,413,563
2003-04	\$442,206,902

Once the assessed valuation is determined and enrolled by the Assessor it is delivered to the Auditor-Controller by July 1. The tax roll is then prepared by the Auditor by multiplying the value of each parcel by the 1% tax rate plus the amount necessary to make annual payments on bonds or other indebtedness approved by the voters to finance local facilities. The majority of outstanding bonds in the County are for school facilities. In addition, numerous fixed charges approved by voters or permitted by legislation are added to the tax roll (examples include sewer, flood control and library assessments). This determines the legal liability per parcel and is passed on to the Tax Collector by September 30.

The Tax Calculation	
Secured Value	\$ 39,582,256,722
Unsecured Value	2,517,003,062
Unitary Value	666,077,757
Exemptions	(1,747,300,608)
Taxable Values	\$ 41,018,036,933
1% Tax Rate	1%
Property Tax	410,900,115
Bonds	11,403,667
Fixed Charges	20,622,866
<b>Total Tax Levy</b>	<b>\$ 442,206,902</b>

School District Bonds (voter approved)	Bonds Issued	Principal Outstanding	Household Amt.
			per \$100K in Assessed Value
Buellton	\$3,365,000	\$2,890,000	\$28.06
Cold Springs	\$2,900,000	\$2,670,000	\$14.61
Goleta	\$26,000,000	\$23,795,000	\$22.80
Hope	\$6,000,000	\$5,830,000	\$13.86
Los Alamos	\$2,000,000	\$1,820,000	\$55.95
Los Olivos	\$2,400,000	\$2,210,000	\$44.82
Montecito	\$4,500,000	\$4,080,000	\$2.99
Orcutt	\$15,000,000	\$14,320,000	\$41.11
Santa Barbara Elem.	\$21,000,000	\$19,225,000	\$15.75
Santa Barbara High	\$25,000,000	\$24,190,000	\$9.55
Santa Maria Joint High	\$18,000,000	\$29,380,000	\$20.59
Carpinteria	\$17,500,000	\$16,130,000	\$29.69
Lompoc Unified	\$17,500,000	\$17,500,000	\$59.95

## TREASURER-TAX COLLECTOR ISSUES BILLS & COLLECTS TAXES

The Tax Collector sends annual secured tax statements (bills) by November 1. The bill can be paid in two installments due November 1 and delinquent after December 10 and due March 1 and delinquent after April 10. (Note that payment due dates are well into the fiscal year July to June, when they become due). Supplemental tax may be billed when there is a change in ownership or when new construction is complete.

Penalties for late payments are significant at 10% after due date and 1.5% per month beginning the following July 1. After 5 years of taxes being delinquent property can be sold at a tax sale to pay-off the tax. As a result of the strong property values in Santa Barbara delinquency rates are relatively low and one of the lowest in the state.

10 Year Delinquency		
Fiscal Year	Amount	Rate
1993-94	\$ 7,112,000	3.09%
1994-95	\$ 5,975,000	2.53%
1995-96	\$ 4,693,000	1.95%
1996-97	\$ 3,907,000	1.57%
1997-98	\$ 3,619,000	1.39%
1998-99	\$ 3,409,000	1.24%
1999-00	\$ 5,503,000	1.87%
2000-01	\$ 5,745,000	1.80%
2001-02	\$ 5,030,000	1.45%
2002-03	\$ 5,587,000	1.50%

Number of Bills Issued				
Fiscal Year	Secured	Unsecured	Supplemental	Total
2001-02	120,985	25,230	14,356	160,571
2002-03	121,876	25,353	12,340	159,569
2003-04	122,595	25,011	—	147,606

BERNICE JAMES TREASURER-TAX COLLECTOR COUNTY OF SANTA BARBARA				2003-2004 SECURED TAX STATEMENT FOR FISCAL YEAR JULY 1, 2003 TO JUNE 30, 2004	
PARCEL NUMBER 069-484-02-00 5		ASSESSOR'S PARCEL NUMBER 069-484-02-00 5 SEC		OWNER'S NAME GEIS ROBERT W/LAURA J	
ADDRESS (IF PROPERTY) SANTA BARBARA CA		MAIL TO 069-484-02-00 5 SEC GEIS ROBERT W/LAURA J		SANTA BARBARA CA	
LANDMINERAL RIGHT		227,444		GROSS TOTAL	
IMPROVEMENT		239,430		HOMEOWNER'S EXEMPTION	
PERSONAL PROPERTY		460,874		OTHER EXEMPTION	
NET TOTAL		453,874		TAX AMOUNT	
BASIC PROPERTY TAX		4,685.57		SPECIAL DISTRICTS	
FIXED CHARGES		241.31		TOTAL TAX	
TOTAL TAX		4,926.88		TOTAL TAX	
TAX RATE AREA NUMBER 66-004	TAX RATE PERCENT 1.03235	DELINQUENT	FIRST INSTALLMENT 2,463.44	SECOND INSTALLMENT 2,463.44	TOTAL 4,926.88
PRIOR YEAR TAXES		DUE NOVEMBER 1, 2003 DELINQUENT DECEMBER 10, 2003		DUE FEBRUARY 1, 2004 DELINQUENT APRIL 10, 2004	
TAX DISTRIBUTION BY AGENCY		AMOUNT		TAX DISTRIBUTION BY AGENCY	
BASIC PROPERTY TAXES:		AMOUNT		AMOUNT	
0001 PROPOSITION 13: 1% TAX		4,538.74			
6851 GOLETA UNION SCH BOND 1996		103.48			
8251 SBHS 2000 GO BOND		43.35			
TOTAL BASIC PROP. TAXES		4,685.57			
FIXED CHARGES:		AMOUNT		AMOUNT	
2126 CO SVC AREA 3 BENEFIT ASSM		3.50			
2127 CSA 3 LIBRARY SPECIAL TAX		17.15			
2511 SO COAST FLD 2ND BENEFIT A		15.19			
4161 VECTOR CTRL DIST ASSMT-2N1		6.67			
4785 GOLETA SANITARY SERVICE CH		190.82			
TOTAL FIXED CHARGES AMOUNT		241.31			
		4,926.88			

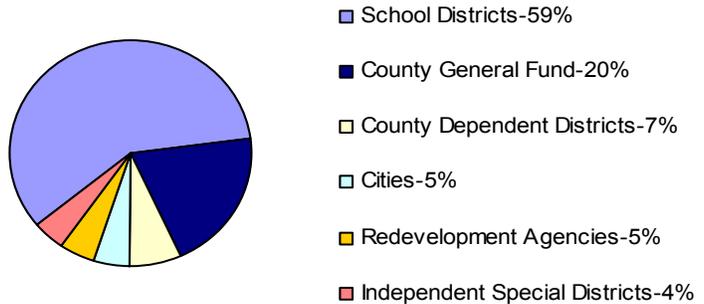
# AUDITOR-CONTROLLER DISTRIBUTES PROPERTY TAXES

After collection the Tax Collector forwards the taxes to the Auditor for apportionment and distribution to all eligible jurisdictions in the County. The law requires the County Auditor to allocate the revenue in accordance with specified formulas and procedures. The current percentage distribution to jurisdictions is: twenty-three K-12 school districts, the county school service fund and two community college districts are allocated 59%; the county general fund 20%, five types of county dependent special districts 7%, thirty-four independent special districts 4%, eight cities 5%, and seven RDA's 5%.

AB8 (Assembly Bill 8 of 1979-80), with many subsequent amendments, governs the complicated tax allocation process. Each tax jurisdiction (entity) was assigned a base amount of property tax determined by 1978-79 revenue. Each year the entity is then allocated an amount equal to the total received in the previous year plus a percentage of tax growth within the geographic tax area served by the entity. The law also provides for transfers of property tax base revenue when boundary changes or transfer of service responsibilities occur and are referred to as jurisdictional changes.

*Schools who receive most of the local property tax also are generally back filled by the state if the local portion of taxes is not sufficient for the number of students enrolled. The effects of the current downturn in the state economy may be mitigated at the school level due to the performance of the property tax at the local level.*

**Property Tax Allocation**



*To see the details of the entities that receive and spend your tax dollars visit: [taxes.co.santa-barbara.ca.us/propertytax/](http://taxes.co.santa-barbara.ca.us/propertytax/)*

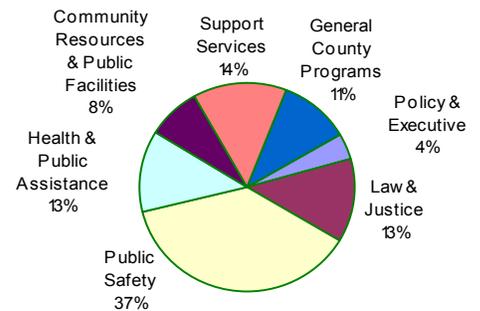
*Prior to Prop13, bonds could be approved by majority vote, effective July 1, 1978 bonds required a two thirds super majority vote and effective January 1, 2001, certain bonds for school facilities can be approved by 55% of voters.*

## COUNTY PROPERTY TAXES

The County receives property taxes for the general fund and five types of dependent special districts. The dependent district taxes are allocated directly to the entity to provide specific services within geographic areas. The most significant district services are fire and flood control. The general fund property tax is the most important tax source for the County. It is approximately 55% of the county discretionary revenue. This revenue source is allocated to the governmental functions shown in the pie chart. This source of tax is the historic funding for public safety, law and justice. However, the state requires mandated services in health and public assistance with-out adequate funding that also competes for this important revenue source.

<u>County Property Tax</u>	<u>Actual 2001-02</u>	<u>Actual 2002-03</u>	<u>Budgeted 2003-04</u>
General Fund	\$69,993,600	\$72,422,650	\$79,089,100
Supplemental	3,783,200	4,111,300	3,200,000
<b>Discretionary Revenue</b>	<b>\$73,776,800</b>	<b>\$76,533,950</b>	<b>\$82,289,100</b>
Special Districts:			
Fire	17,269,800	17,562,000	19,956,150
Flood	4,938,600	5,144,200	5,540,700
County Service Areas	1,171,300	661,800	697,300
Lighting	258,900	275,700	271,950
Redevelopment Agency	2,287,111	1,560,500	1,536,350
Water Agency	1,282,100	1,329,400	1,456,750
<b>Total Property Tax Revenue</b>	<b>\$100,984,600</b>	<b>\$103,067,550</b>	<b>\$111,748,300</b>

**Discretionary Revenue Allocation  
By County Function**



## SIGNIFICANT EVENTS

*In fiscal year 02-03 a number of significant events affected property tax allocations to agencies. Settlements of assessment appeals with Exxon, POPCO and Bacara; allocations to the new City of Goleta; an expanded Vector Control District; and the sale of Francisco Torres to UCSB affects actuals in fiscal year 02-03 or the new base for fiscal year 03-04.*