



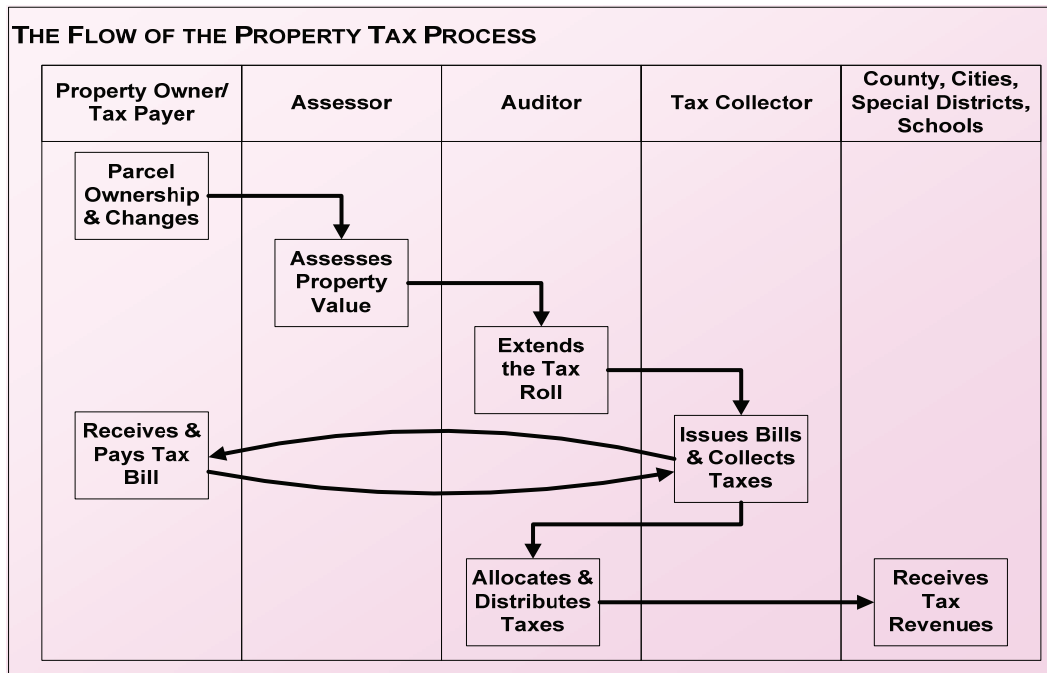
Property Tax Highlights

County of Santa Barbara

Fiscal Year July 1, 2005 to June 30, 2006

PROPERTY TAX PROCESS

Today California schools, counties, cities and special districts depend on property tax as a primary source of revenue. Property tax raised \$445 million for local governments within the boundaries of Santa Barbara County during fiscal year 2004-05 and is expected to generate \$492 million for fiscal year 2005-06. The *Property Tax Highlights* is intended to provide an overview of the property tax process in Santa Barbara County. It includes highlights of current results and a broad description of how the property tax is generated from the taxpayers and distributed to local government agencies. Please visit our website located at www.co.santa-barbara.ca.us/auditor to view or download copies of The *Property Tax Highlights* and our other publications.



The Proposition 13 property tax initiative approved overwhelmingly by California voters in 1978 is the basis for the current tax process. Proposition 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 Proposition 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 Proposition 13 and subsequent statutes that govern the property tax process. We welcome your comments and questions which can be emailed to us at auditorpropertytax@co.santa-barbara.ca.us.

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

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

Principal Taxpayers 2005-06

	Type of Property	Assessed Value	% of Total Assessed Value
Exxon Corporation	Oil	\$ 364,722,835	0.78%
Verizon California Inc.	Utility	171,759,894	0.37%
Southern California Gas Co.	Utility	151,359,740	0.32%
HT-Santa Barbara Inc (Bacara)	Hotel	127,500,000	0.27%
Pacific Offshore Pipeline Co	Oil	116,773,030	0.25%
1260 BB Property, LLC (Biltmore)	Hotel	108,000,000	0.23%
Southern California Edison Co.	Utility	94,089,825	0.20%
Redevelopment Agency/Santa Barbara	Various	85,173,774	0.18%
Beringer Wine Estates Company	Agriculture	84,858,044	0.18%
Tara II, LLC	Residential	84,682,979	0.18%
Total Top 10 Principal Taxpayers		\$ 1,388,920,121	2.97%

The top ten taxpayers make up only 2.97% of total valuation. This is an indicator that the county has diversification within its tax base.

The County has 125,232 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. Business 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.

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

Major Reappraisals - Secured

(in millions)

Appraisal Reason	2004-05 Base	Change	2005-06 Base
2% Prop 13 CPI adjustment	\$ 32,174	\$ 637	\$ 32,811
Property Ownership Changes	2,549	2,991	5,541
New Construction	2,644	790	3,434
Other	3,939	240	4,178
Total Net Assessed Value	\$ 41,306	\$ 4,658	\$ 45,964

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

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, business 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.

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

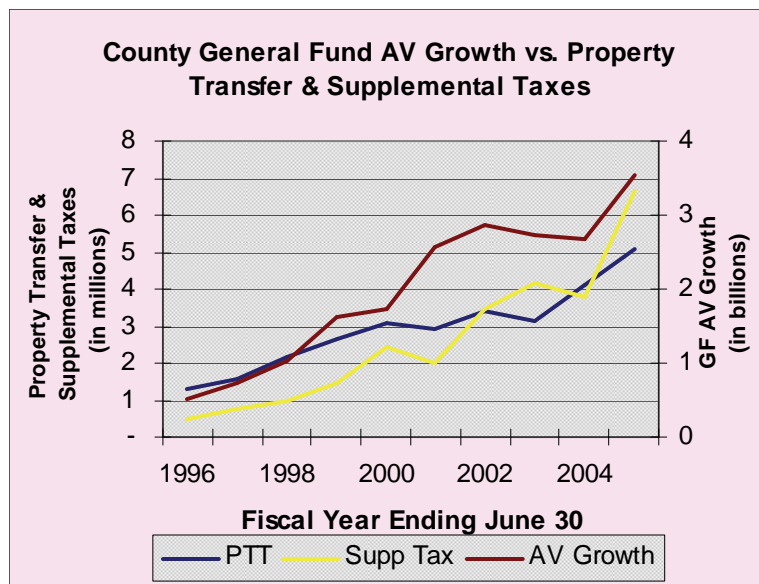
Fiscal Year	Assessed Valuation	Percent Increase
78-79	6.4	9.8%
79-80	7.2	13.3%
80-81	8.3	14.6%
81-82	9.3	12.3%
82-83	10.3	10.8%
83-84	11.1	7.3%
84-85	12.4	12.5%
85-86	13.7	10.4%
86-87	14.9	8.4%
87-88	16.2	9.0%
88-89	17.6	8.5%
89-90	19.2	9.2%
90-91	21.2	10.5%
91-92	22.6	6.4%
92-93	23.5	4.1%
93-94	24.5	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%
04-05	44.8	8.6%
05-06	49.5	10.4%

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 2004 are valued and enrolled as of January 1, 2005. The 2% inflation adjustment is applied along with exemptions and other appraisable events. The value of \$49.5 billion as of January 1, 2005 is then taxed for the fiscal year July 1, 2005 to June 30, 2006.

Other significant processes include:

- A Supplemental roll places reappraisals into immediate effect on the date of transfer or the new construction 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 upward in FY 04-05, reflecting the increase in assessed value growth.



For more information on the assessment process visit:

<http://sbcaessor.com>

AUDITOR-CONTROLLER PREPARES TAX ROLL

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.

2005-06 Tax Calculation

Secured Value	\$ 47,912,477,500
Unsecured Value	\$ 2,608,748,130
Unitary Value	\$ 663,957,888
Exemptions	\$ (1,984,983,100)
Taxable Values	\$ 49,200,200,418
1% Basic Tax Rate	x 1%
Property Tax	\$ 492,002,004
Bonds	15,964,786
Fixed Charges	26,609,916
Escaped Assessments	21,406
Total Tax Levy	\$ 534,598,111

3-Year Total Tax Levy

Fiscal Year	Amount
2003-04	\$ 442,206,902
2004-05	481,227,417
2005-06	534,598,111

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.

Prior to Prop 13, 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.

School District Bonds

District	Debt Authorized by Voters	Bonds Issued		Taxes per \$100K Assessed Value
		Amount Originally Issued	Balance as of 6/30/2005	
Buellton Union	\$ 9,865,000	\$ 7,242,278	\$ 6,612,278	\$ 52.55
Carpinteria Unified	17,500,000	17,500,000	15,795,000	27.33
Cold Springs	2,900,000	2,900,000	2,615,000	14.38
College Elementary	9,370,000	4,750,378	4,750,378	24.00
Goleta Union	26,000,000	26,000,000	23,760,000	17.46
Hope Elementary	6,000,000	6,000,000	5,660,000	12.34
Lompoc Unified	38,000,000	26,500,000	26,365,000	51.35
Los Alamos Elementary	2,000,000	2,000,000	1,780,000	35.49
Los Olivos	2,400,000	2,400,000	2,160,000	35.42
Montecito Union	4,500,000	4,500,000	4,000,000	2.34
Orcutt Union	15,000,000	15,000,000	15,000,000	36.27
Santa Barbara Elementary	31,000,000	31,000,000	29,030,000	13.97
Santa Barbara High	67,000,000	46,000,000	44,760,000	11.89
Santa Maria Joint Union High	109,000,000	64,998,222	64,093,222	37.30

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 February 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% for the first installment delinquency, 10% plus \$20 for the second installment delinquency and an additional 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 the tax. As a result of the strong property values in Santa Barbara delinquency rates are relatively of the lowest in the state.

Number of Tax Bills Issued

Fiscal Year	Secured	Unsecured	Supplemental	Total
2003-04	122,669	25,262	17,800	165,731
2004-05	123,966	24,950	15,562	164,478
2005-06	125,004	17,299	3,866*	146,169

* Partial Year

Delinquent Tax Payment History

as of June 30th of the Fiscal Year Due

Fiscal Year	Amount	Rate
1995-96	\$ 4,693,670	1.95%
1996-97	3,907,583	1.57%
1997-98	3,619,437	1.39%
1998-99	3,409,455	1.24%
1999-00	5,503,459	1.87%
2000-01	5,745,458	1.80%
2001-02	5,030,298	1.45%
2002-03	5,570,143	1.50%
2003-04	4,663,443	1.16%
2004-05	5,333,491	1.22%

BERNICE JAMES TREASURER-TAX COLLECTOR COUNTY OF SANTA BARBARA		P.O. BOX 579 SANTA BARBARA, CA 93102-0579 (805)868-2920 SANTA BARBARA (805)346-8330 SANTA MARIA		2005-2006 SECURED TAX STATEMENT FOR FISCAL YEAR JULY 1, 2005 TO JUNE 30, 2006	
PARCEL NUMBER	ASSEESSEE ON JANUARY 1, 2006	CORTAC-SUBSCRIBER	LOAN NUMBER		
06948402005	GEIS ROBERT W/LAURA J				
ADDRESS OF PROPERTY		ASSESSED VALUE			
980 RANDOLPH RD SANTA BARBARA, CA 93111		LANDMINERAL RIGHTS	236,323		
		IMPROVEMENTS	242,543		
		PERSONAL PROPERTY	0		
MAIL TO		GROSS TOTAL			
06948402005 SEC		478,866			
GEIS ROBERT W/LAURA J		HOMEOWNER'S EXEMPTION	-7,000		
980 RANDOLPH RD		OTHER EXEMPTIONS	0		
SANTA BARBARA, CA 93111		NET TOTAL	471,866		
		TAX AMOUNTS			
		BASIC PROPERTY TAX	4,857.15		
		SPECIAL DISTRICTS	0.00		
		FIXED CHARGES	305.83		
		TOTAL TAX	5,162.98		
TAX RATE AREA NUMBER	TAX RATE PERCENT	DELINQUENT	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL
066004	1.0294		2,591.49	2,561.49	5,152.98
		PRIOR YEAR TAXES	DUE NOVEMBER 1, 2005 DELINQUENT DECEMBER 10, 2005		DUE FEBRUARY 1, 2006 DELINQUENT DECEMBER 10,
TAX DISTRIBUTION BY AGENCY		AMOUNT	TAX DISTRIBUTION BY AGENCY		
BASIC PROPERTY TAXES					
0001	PROPOSITION 13: 1% TAX	4,718.66			
6851	GOLETA UNION SCH BOND 1996	82.39			
8251	SBHS 2000 GO BOND	56.10			
TOTAL BASIC PROPERTY TAXES		4,857.15			
FIXED CHARGES					
2126	CO SVC AREA 3 BENEFIT ASSMT	9.00			
2127	CSA 3 LIBRARY SPECIAL TAX	18.61			
2611	SO COAST FLD ZN2 BENEFIT ASSMT	19.73			
4161	VECTOR CTRL DIST ASSMT-ZN1	7.17			
4785	GOLETA SANITARY SERVICE CHARGE	251.32			
TOTAL FIXED CHARGES		305.83			
TOTAL TAXES		5,162.98			

You can now pay your taxes online at:

<http://sbtaxes.org>

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 as explained on page 8.

Summary of Fiscal Year 2005-06 Incremental Growth and Property Tax Allocation by Fund

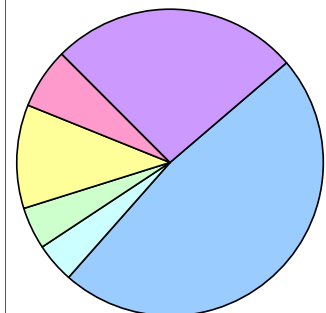
For Secured and Unsecured Property Taxes (including Homeowner Subventions)

FUND NO	TAXING AGENCY	PRIOR YEAR ALLOCATION NET OF RDAS	CURRENT YEAR ALLOCATION NET OF RDAS	CURRENT YEAR INCREMENTAL GROWTH \$	CURRENT YEAR INCREMENTAL GROWTH %	SWAP, FLIP & ERAFIII SHIFT (SB1096)	CURRENT YEAR ALLOCATION NET OF SB1096	PCT OF TOTAL
0001	COUNTY GENERAL FUND	\$ 86,238,633	\$ 95,277,861	\$ 9,039,228	10.48%	\$ 34,221,118	\$ 129,498,979	26.5%
0150	PIPELINE RIGHT-OF-WAY	\$ 27,409	\$ 28,037	\$ 628	2.29%	\$ -	\$ 28,037	0.0%
DEPENDENT SPECIAL DISTRICTS								
2120	COUNTY SERVICE AREA #3	\$ 577,967	\$ 624,221	\$ 46,254	8.00%	\$ (45,876)	\$ 578,345	0.1%
2130	COUNTY SERVICE AREA #4	23,437	26,392	2,955	12.61%	(2,148)	24,244	0.0%
2140	COUNTY SERVICE AREA #5	74,187	81,855	7,668	10.34%	(6,483)	75,372	0.0%
2170	COUNTY SERVICE AREA #11	27,217	30,846	3,629	13.33%	(2,207)	28,639	0.0%
2220	COUNTY SERVICE AREA #31	13,855	13,955	100	0.72%	(1,491)	12,465	0.0%
2280	SB COUNTY FIRE PROTECTION	20,355,033	22,196,177	1,841,144	9.05%	-	22,196,177	4.5%
2400	SB COUNTY FLOOD CONTROL/WATER CONSER	1,206,782	1,335,083	128,301	10.63%	(499,052)	836,031	0.2%
2460	GUADALUPE FLOOD ZONE #3	27,983	29,612	1,629	5.82%	-	29,612	0.0%
2470	LOMPOC CITY FLOOD ZONE #2	210,816	232,491	21,675	10.28%	-	232,491	0.0%
2480	LOMPOC VALLEY FLOOD ZONE #2	104,277	119,125	14,848	14.24%	-	119,125	0.0%
2500	LOS ALAMOS FLOOD ZONE #1	29,957	38,312	8,355	27.89%	-	38,312	0.0%
2510	ORCUTT FLOOD ZONE #3	175,811	204,081	28,270	16.08%	-	204,081	0.0%
2560	SANTA MARIA FLOOD ZONE #3	581,132	669,464	88,332	15.20%	-	669,464	0.1%
2570	SM RIVER LEVEE MAINTENANCE ZONE	53,854	61,650	7,796	14.48%	-	61,650	0.0%
2590	SANTA YNEZ FLOOD ZONE #3	183,570	204,753	21,183	11.54%	-	204,753	0.0%
2610	SOUTH COAST FLOOD ZONE #2	3,410,255	3,715,540	305,285	8.95%	-	3,715,540	0.8%
2670	NORTH COUNTY LIGHTING	292,756	328,083	35,327	12.07%	(24,034)	304,049	0.1%
2700	MISSION LIGHTING DISTRICT	4,462	4,823	361	8.09%	(366)	4,457	0.0%
3050	SANTA BARBARA COUNTY WATER	1,558,543	1,723,769	165,226	10.60%	(129,622)	1,594,147	0.3%
TOTAL DEPENDENT SPECIAL DISTRICTS		\$ 28,911,894	\$ 31,640,232	\$ 2,728,338	9.44%	\$ (711,280)	\$ 30,928,952	6.3%
INCORPORATED CITIES								
0578	CITY OF BUELLTON	\$ 662,224	\$ 773,454	\$ 111,230	16.80%	\$ 551,792	\$ 1,325,246	0.3%
0580	CITY OF CARPINTERIA	1,156,150	1,263,606	107,456	9.29%	1,116,317	2,379,923	0.5%
0632	CITY OF GOLETA	1,788,354	1,879,301	90,947	5.09%	3,127,380	5,006,681	1.0%
0640	CITY OF GUADALUPE	117,468	122,653	5,185	4.41%	458,287	580,940	0.0%
0700	CITY OF LOMPOC	2,791,401	3,063,317	271,916	9.74%	3,330,188	6,393,505	1.3%
0760	CITY OF SANTA BARBARA	11,043,179	12,179,877	1,136,698	10.29%	8,928,006	21,107,883	4.3%
0840	CITY OF SANTA MARIA	5,424,968	6,437,407	1,012,439	18.66%	8,811,155	15,248,562	3.1%
0875	CITY OF SOLVANG	923,674	1,008,320	84,646	9.16%	485,174	1,493,494	0.3%
TOTAL INCORPORATED CITIES		\$ 23,907,419	\$ 26,727,935	\$ 2,820,516	11.80%	\$ 26,808,299	\$ 53,536,234	11.0%
REDEVELOPMENT AGENCIES								
0577	BUELLTON CITY	\$ 400,944	\$ 454,862	\$ 53,918	13.45%	\$ (34,801)	\$ 420,061	0.1%
0633	GOLETA CITY - OLD TOWN PROJECT	1,242,084	1,448,128	206,044	16.59%	(103,384)	1,344,744	0.3%
0685	GUADALUPE CITY	1,081,876	1,207,438	125,562	11.61%	(100,098)	1,107,340	0.2%
0725	LOMPOC OLD TOWN-AREA 1	187,499	208,159	20,660	11.02%	(10,231)	197,928	0.0%
0726	LOMPOC OLD TOWN-AREA 2	1,227,277	1,801,786	574,509	46.81%	(88,561)	1,713,225	0.4%
0727	LOMPOC OLD TOWN-AREA 3	4,133	12,127	7,994	100.00%	(596)	11,531	0.0%
0785	SANTA BARBARA CITY - CENTRAL	13,464,457	14,543,488	1,079,031	8.01%	(1,177,824)	13,365,664	2.7%
3100	SB COUNTY - ISLA VISTA PROJECT	2,891,177	3,394,832	503,655	17.42%	(200,381)	3,194,451	0.7%
4307	SANTA MARIA CITY - PROJECT III	16,148	3,902	(12,246)	-75.84%	(405)	3,497	0.0%
4308	SANTA MARIA CITY - PROJECT IV	883,202	871,280	(11,922)	-1.35%	(90,416)	780,864	0.2%
TOTAL REDEVELOPMENT AGENCIES		\$ 21,398,797	\$ 23,946,002	\$ 2,547,205	11.90%	\$ (1,806,698)	\$ 22,139,304	4.5%

The County's General Fund allocation is \$129.5 million

Secured, and, Unsecured Property Taxes are expected to generate \$488 million for fiscal year 2005-06.

Where Do Property Taxes Go?



INDEPENDENT SPECIAL DISTRICTS													
0602	CITY OF CARP - LIGHTING #1	\$	203,946	\$	222,990	\$	19,044	9.34%	\$	(17,566)	\$	205,424	0.0%
0680	GUADALUPE CITY LIGHTING		13,091		13,352		261	1.99%		(1,364)		11,988	0.0%
3210	SANTA MARIA PUBLIC AIRPORT		880,815		1,019,455		138,640	15.74%		(375,596)		643,859	0.1%
3260	CARPINTERIA CEMETERY		103,799		116,217		12,418	11.96%		(8,625)		107,592	0.0%
3270	GOLETA CEMETERY		300,232		322,983		22,751	7.58%		(25,904)		297,079	0.1%
3280	GUADALUPE CEMETERY		33,740		35,949		2,209	6.55%		(2,802)		33,147	0.0%
3290	LOMPOC CEMETERY		234,976		262,888		27,912	11.88%		(19,292)		243,596	0.0%
3300	LOS ALAMOS CEMETERY		7,772		9,702		1,930	24.83%		(617)		9,085	0.0%
3310	OAK HILL CEMETERY		114,330		127,493		13,163	11.51%		(9,140)		118,354	0.0%
3320	SANTA MARIA CEMETERY		421,061		486,982		65,921	15.66%		(33,670)		453,312	0.1%
3516	LOS ALAMOS COMMUNITY SERVICE		44,856		55,715		10,859	24.21%		(28,566)		27,149	0.0%
3566	SANTA YNEZ COMMUNITY SERVICE		110,460		123,563		13,103	11.86%		(69,143)		54,420	0.0%
3630	CARP-SUMMERLAND FIRE PROTECTION		4,470,302		5,009,624		539,322	12.06%		-		5,009,624	1.0%
3650	MONTECITO FIRE PROTECTION		8,606,722		9,442,973		836,251	9.72%		-		9,442,973	1.9%
3655	ORCUTT FIRE PROTECTION		109,106		120,656		11,550	10.59%		-		120,656	0.0%
3750	LOMPOC HOSPITAL		593,542		665,007		71,465	12.04%		-		665,007	0.1%
3817	EMBARCADERO MUNICIPLE IMPROVEMENT		182,924		188,777		5,853	3.20%		(11,744)		177,033	0.0%
4090	SANTA BARBARA METRO TRANSIT		617,234		674,112		56,878	9.21%		(15,272)		658,840	0.1%
4150	CARPINTERIA MOSQUITO ABATEMENT		73,177		81,346		8,169	11.16%		-		81,346	0.0%
4160	SANTA BARBARA COASTAL VECTOR CONTROL		169,983		182,247		12,264	7.21%		-		182,247	0.0%
4300	STOWELL PARKING/LIGHTING		17,403		18,570		1,167	6.71%		-		18,570	0.0%
4400	CUYAMA VALLEY RECREATION		50,138		67,919		17,781	35.46%		(4,847)		63,072	0.0%
4410	ISLA VISTA RECREATION & PARK		109,959		110,317		358	0.33%		(18,357)		91,960	0.0%
4500	CACHUMA RESOURCE CONSERVATION		57,946		67,614		9,668	16.68%		(4,887)		62,727	0.0%
4560	CARPINTERIA SANITARY		338,319		368,327		30,008	8.87%		(293,012)		75,315	0.0%
4640	GOLETA SANITARY		91,195		98,231		7,036	7.72%		(77,667)		20,564	0.0%
4900	GOLETA WEST SANITARY		1,338,492		1,383,829		45,337	3.39%		(530,379)		853,450	0.2%
5100	MONTECITO SANITARY		286,181		314,168		27,987	9.78%		(187,489)		126,679	0.0%
5215	SUMMERLAND SANITARY		130,624		145,514		14,890	11.40%		(52,266)		93,248	0.0%
5700	SANTA MARIA VALLEY WATER CONSERVATION		172,755		197,464		24,709	14.30%		(11,611)		185,853	0.0%
5800	SANTA YNEZ RIVER WATER CONSERVATION		168,569		188,560		19,991	11.86%		(13,931)		174,629	0.0%
TOTAL INDEPENDENT SPECIAL DISTRICTS		\$	20,053,649	\$	22,122,544	\$	2,068,895	10.32%	\$	(1,813,746)	\$	20,308,798	4.2%
SCHOOL DISTRICTS													
6001	BALLARD ELEMENTARY SCHOOL*	\$	948,076	\$	1,055,795	\$	107,719	11.36%	\$	-	\$	1,055,795	0.2%
6101	BLOCHMAN UNION ELEMENTARY SCHOOL		162,625		181,005		18,380	11.30%		-		181,005	0.0%
6301	BUELLTON UNION ELEMENTARY SCHOOL		1,902,581		2,186,855		284,274	14.94%		-		2,186,855	0.4%
6401	CASMALIA ELEMENTARY SCHOOL		3,968		4,479		511	12.88%		-		4,479	0.0%
6501	COLD SPRING ELEMENTARY SCHOOL*		1,899,275		2,035,237		135,962	7.16%		-		2,035,237	0.4%
6601	COLLEGE ELEMENTARY SCHOOL*		2,625,281		2,919,882		294,601	11.22%		-		2,919,882	0.6%
6801	GOLETA UNION ELEMENTARY SCHOOL*		20,475,097		21,769,913		1,294,816	6.32%		-		21,769,913	4.5%
6901	GUADALUPE UNION ELEMENTARY SCHOOL		543,487		568,444		24,957	4.59%		-		568,444	0.1%
7001	HOPE ELEMENTARY SCHOOL		4,954,603		5,361,364		406,761	8.21%		-		5,361,364	1.1%
7101	LOS ALAMOS ELEMENTARY SCHOOL		502,448		635,569		133,121	26.49%		-		635,569	0.1%
7201	LOS OLIVOS ELEMENTARY SCHOOL		832,954		941,338		108,384	13.01%		-		941,338	0.2%
7301	MONTECITO UNION ELEMENTARY SCHOOL*		6,207,900		6,855,052		647,152	10.42%		-		6,855,052	1.4%
7401	ORCUTT UNION ELEMENTARY SCHOOL		6,083,201		6,850,462		767,261	12.61%		-		6,850,462	1.4%
7501	SANTA BARBARA ELEMENTARY SCHOOL		20,247,006		22,305,079		2,058,073	10.16%		-		22,305,079	4.6%
7601	SANTA MARIA/BONITA ELEMENTARY SCHOOL		11,022,740		12,922,225		1,899,485	17.23%		-		12,922,225	2.6%
7701	SOLVANG ELEMENTARY SCHOOL		1,772,663		1,933,305		160,642	9.06%		-		1,933,305	0.4%
7801	VISTA DEL MAR ELEMENTARY SCHOOL*		1,223,043		1,210,289		(12,754)	-1.04%		-		1,210,289	0.2%
8201	SANTA BARBARA HIGH SCHOOL		38,832,188		42,275,110		3,442,922	8.87%		-		42,275,110	8.7%
8301	SANTA MARIA JOINT UNION HIGH SCHOOL		15,740,237		18,190,529		2,450,292	15.57%		-		18,190,529	3.7%
8401	SANTA YNEZ VALLEY HIGH SCHOOL*		7,106,678		7,761,688		655,010	9.22%		-		7,761,688	1.6%
8701	CARPINTERIA UNIFIED SCHOOL		10,540,653		11,803,121		1,262,468	11.98%		-		11,803,121	2.4%
8801	CUYAMA UNIFIED SCHOOL		391,772		539,600		147,828	37.73%		-		539,600	0.1%
8901	LOMPOC UNIFIED SCHOOL		9,675,300		10,808,928		1,133,628	11.72%		-		10,808,928	2.2%
9401	ALLAN HANCOCK COMMUNITY COLLEGE		8,406,490		9,506,365		1,099,875	13.08%		-		9,506,365	1.9%
9610	SANTA BARBARA COMMUNITY COLLEGE		15,395,066		16,815,986		1,420,920	9.23%		-		16,815,986	3.4%
9801	COUNTY SCHOOL SERVICE FUND		16,357,920		18,087,613		1,729,693	10.57%		-		18,087,613	3.7%
9802	EDUCATION REVENUE AUGMENTATION (ERAF)		57,144,071		62,994,361		5,850,290	10.24%		(56,697,693)		6,296,668	1.3%
TOTAL SCHOOL DISTRICTS		\$	260,997,325	\$	288,519,594	\$	27,522,269	10.55%	\$	(56,697,693)	\$	231,821,901	47.5%
COUNTYWIDE TOTALS		\$	441,535,126	\$	488,262,205	\$	46,727,079	10.58%	\$	-	\$	488,262,205	100.0%

County General Fund	26.5%
Dependent Special Districts	6.3%
Incorporated Cities	11.0%
Redevelopment Agencies	4.5%
Independent Special Districts	4.2%
School Districts	47.5%

The net effect of the Swap, Flip and ERAF III Shift is a \$56.7 million decrease in taxes allocated to the ERAF fund.

Local school districts receive an allocation of \$231.8 million.

This allocation does not include \$3.7 million of Unitary & Aircraft taxes which are distributed under different formulas.

* BASIC AID SCHOOL DISTRICT

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.

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.

Adding to the complex tax allocation process, legislation (SB1096) was enacted in fiscal year 2004-05 that for only cities and the county permanently swaps Vehicle License Fee revenue for Property Taxes (the "Swap") and temporarily exchanges Sales Tax Revenues ("Flip") for Property Taxes. The *Flip* expires when the State Deficit Bonds are retired in approximately 15-20 years. In addition, the enacted legislation requires additional revenues to be shifted away from most taxing agencies to the Education Revenue Augmentation Fund ("ERAF III Shift") for the 2004-05 and 2005-06 fiscal years. The legislation specifies that the property tax revenues necessary for the *Swap* and *Flip* are to be taken from the County ERAF Fund while the two-year *ERAF III Shift* will be added to the fund.

For fiscal year 2005-06 the total *Swap* was \$55.5 million and the *Flip* was \$12.4 million of additional property taxes for cities and the county. The final year of the *ERAF III Shift* provides the ERAF Fund an additional \$11.2 million of property taxes. The net effect of the *Swap*, *Flip* and *ERAF III Shift* was a decrease of \$56.7 million of property tax revenue allocated to the County ERAF Fund.

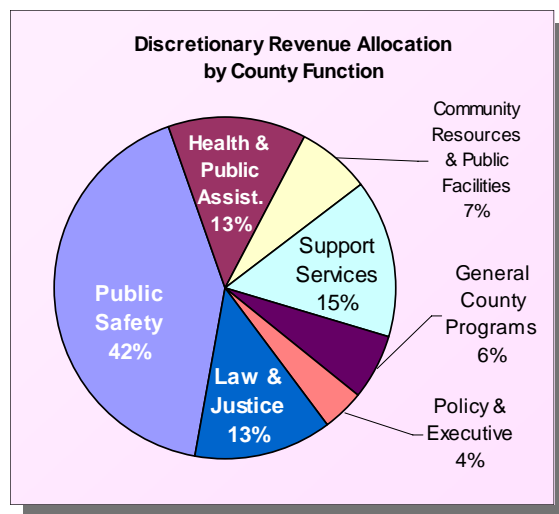
For fiscal year 2005-06, overall County property tax growth remains strong with the north county having a higher percentage growth than the southern regions of the county. Countywide locally assessed property taxes increased by \$46.7 million, representing a 10.58% increase from the prior fiscal year. Listed on the prior pages is a summary of the growth percentage and taxes for the various agencies that receive property tax revenue. As you will notice there are large fluctuations in growth percentages between agencies due to growth in the various geographic regions within the county.

COUNTY PROPERTY TAXES

The County receives property taxes for the General Fund, five types of dependent special districts and the redevelopment agency. 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 80% of the County's 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 without adequate funding that also competes for this important revenue source.

County Property Tax Revenues

	Actual 2003-04	Actual 2004-05	Budgeted 2005-06
General Fund (Discretionary)	\$ 84,455,505	\$ 119,506,003	\$ 129,143,643
Special Districts:			
Fire	19,735,910	21,678,000	22,812,500
Flood	5,772,287	5,840,873	6,098,210
Redevelopment Agency	1,682,210	1,838,240	1,916,573
Water Agency	1,496,831	1,406,356	1,501,337
County Service Areas	727,319	705,379	753,079
Lighting	283,084	705,379	299,015
Total Property Tax Revenue	\$ 114,153,146	\$ 151,680,230	\$ 162,524,357



To see the details of the entities that receive and spend your tax dollars visit:

<http://taxes.co.santa-barbara.ca.us/propertytax>