

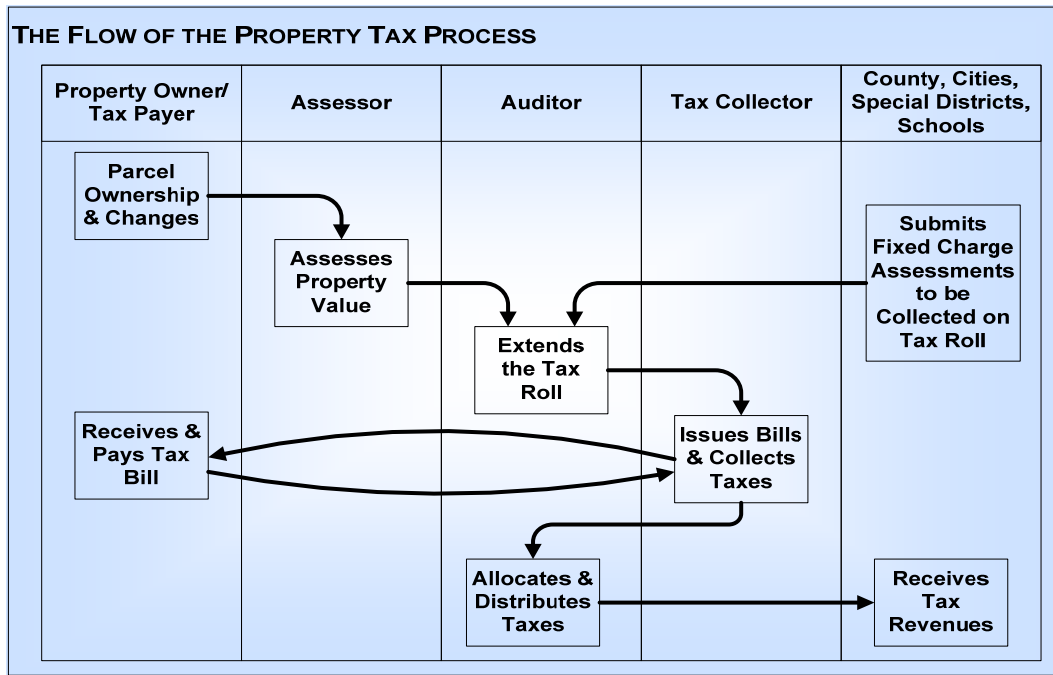


# Property Tax Highlights

County of Santa Barbara  
Fiscal Year July 1, 2012 to June 30, 2013

## PROPERTY TAX PROCESS

Today California schools, counties, cities and special districts depend on property taxes as a primary source of discretionary revenue. Property taxes raised \$625 million for local governments within the boundaries of Santa Barbara County during fiscal year 2011-12 and is expected to generate \$632 million for fiscal year 2012-13. 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 property taxes are generated from the taxpayers and distributed to local government agencies. Please visit our website located at [www.co.santa-barbara.ca.us/auditor](http://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 a maximum of 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](mailto: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  
<http://sbcassessor.com>

**Robert W. Geis CPA, CPFO**  
Auditor-Controller  
(805) 568-2181  
[www.co.santa-barbara.ca.us/auditor](http://www.co.santa-barbara.ca.us/auditor)

**Harry E. Hagen, CPA, CPFO**  
Treasurer Tax-Collector  
(805) 568-2920  
<http://sbtaxes.org>

## PARCEL OWNERSHIP AND TAXPAYERS

Annually, taxable property is assessed (valued) as of January 1<sup>st</sup> (the lien date) to generate tax revenue for the fiscal year that begins the following July 1<sup>st</sup>. 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. Additionally, any new construction value is also added to the property's prior base values.

*The owners of property in Santa Barbara County are responsible for the timely payments of taxes. Those who pay late are subject to penalties which can be significant.*

On the lien date taxes are levied and become a lien on both real and personal property. The term "secured" refers to taxes that are assessed against real property (e.g., land or structures). The tax bill creates a lien that is "secured" by the land/structure even though no document is officially recorded. This means that if the tax remains unpaid after a period of five (5) years, the property may be sold to cover the taxes owed. The term "unsecured" refers to property that can be relocated and is not real estate, such as business equipment, equipment, fixtures, boats, or airplanes. If the unsecured tax is not paid, collection actions can include seizure of the property, filing of judgments against the owner in Superior Court, and/or filing a lien on the owner with the County Recorder.

<b>Principal Taxpayers 2012-13</b>			% of Total
(Secured, Unitary and Unsecured)			Assessed
	Type of Property	Assessed Value	Value
Exxon Corporation	Petroleum & Gas	\$ 306,144,702	0.48%
Breitbart Energy Holdings, LLC	Petroleum & Gas	272,572,538	0.43%
Southern California Gas Company	Utility	260,962,030	0.41%
United Launch Alliance, LLC	Aerospace	183,235,892	0.29%
Southern California Edison Co.	Utility	181,810,863	0.29%
1260 BB Property, LLC (Biltmore)	Hotel	160,000,000	0.25%
Fairway BB Property, LLC	Residential Estate	153,520,923	0.24%
Verizon California, Inc.	Utility	138,265,540	0.22%
Pacific Gas & Electric Co.	Utility	129,581,594	0.21%
Raytheon Company	Light Manufacturing	118,817,925	0.19%
Total Top 10 Principal Taxpayers		<u>\$ 1,904,912,007</u>	<u>3.02%</u>

The top ten taxpayers make up only 3% of total valuation. This is an indicator that the County has a diversified tax base.

The County has 128,817 secured 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 general aircraft are taxed at the location of the airport. Fleets of commercial and fractionally-owned aircraft using Santa Barbara airports are taxed based on their flight activity in California. There are about 15,000 business properties within the County.

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

## ASSESSOR VALUES PROPERTY

The primary responsibility of the County Assessor is to discover, describe, value and assess all taxable 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.

The Secured Tax roll is comprised of real property which is defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines. Business personal property (items such as machinery, equipment, office tools and supplies), vessels and aircraft are included on the Unsecured roll. 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 qualified taxpayers from the burden of paying property taxes.

Assessed value is determined and enrolled to the owner as of January 1<sup>st</sup>, which is the tax lien date. As an example, change in ownership (sales) and new construction (captured from permits and on-site reviews) during the prior calendar year 2011 are valued and enrolled as of January 1, 2012.

The inflation adjustment (the lower of 2% or CPI) is applied along with exemptions and other appraisable events. The value of \$63.4 billion as of January 1, 2012 is then taxed for the fiscal year July 1, 2012 to June 30, 2013.

### Other significant processes include:

- ◆ A Supplemental roll places tax changes 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.

Taxpayers can also benefit from these other valuable property tax programs:

- Homeowners Exemption
- Reappraisal Exclusion for Citizens 55 and Over or Disabled (Prop 60)
- Parent/Child Exclusion (Prop 58)
- Grandparent/Grandchild Exclusion (Prop 193)
- Disaster Relief
- Disabled Veterans Exemption
- Property Tax Postponement Program for Senior Citizens, Blind and/or Disabled —Suspended by the State in 2009

**For more information on the assessment process  
visit the Clerk-Recorder-Assessor's Website at:**

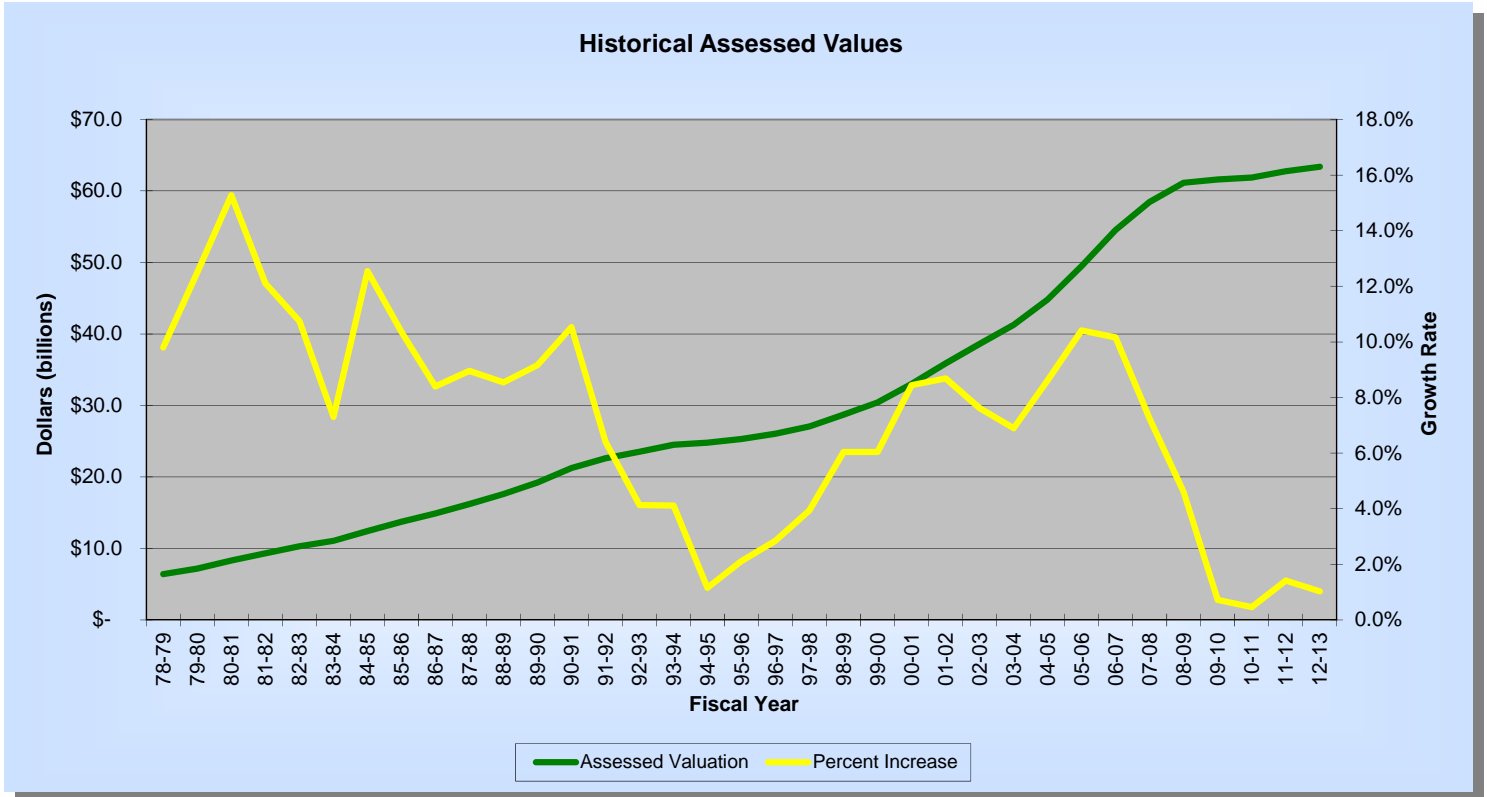
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### Historical Assessed Value of Property in the County (in billions)

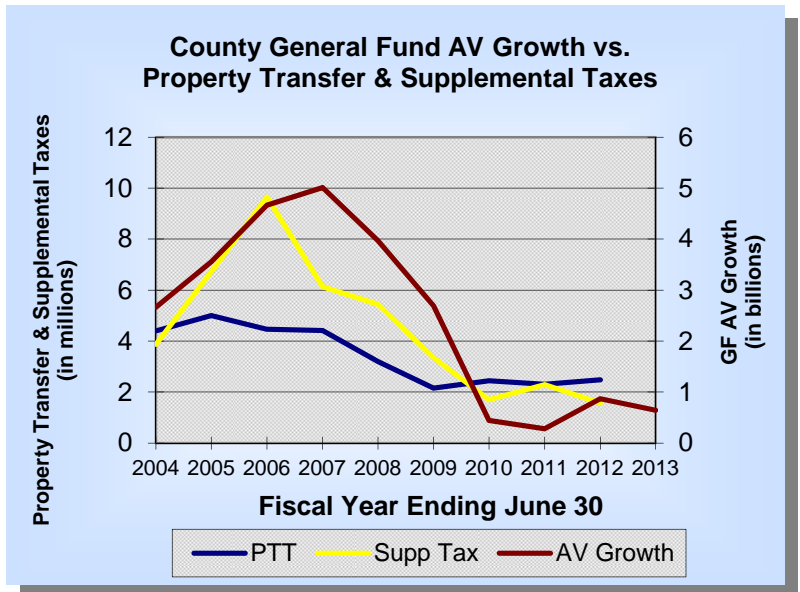
Fiscal Year	Assessed Valuation	Percent Increase
78-79	\$ 6.4	9.8%
79-80	7.2	12.5%
80-81	8.3	15.3%
81-82	9.3	12.1%
82-83	10.3	10.7%
83-84	11.1	7.3%
84-85	12.4	12.5%
85-86	13.7	10.4%
86-87	14.9	8.4%
87-88	16.2	9.0%
88-89	17.6	8.5%
89-90	19.2	9.2%
90-91	21.2	10.5%
91-92	22.6	6.4%
92-93	23.5	4.1%
93-94	24.5	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%
06-07	54.5	10.2%
07-08	58.5	7.2%
08-09	61.2	4.6%
09-10	61.6	0.7%
10-11	61.9	0.5%
11-12	62.8	1.4%
12-13	63.4	1.0%

# ASSESSOR VALUES PROPERTY

Over the past 35 years the countywide assessed values have continued to steadily grow as seen by the green line in the graph below. Since Proposition 13, the total county assessed valuation has increased almost ten-fold from \$6.4 billion to \$63.4 billion. The growth rates on an annual basis as shown by the yellow line are much more volatile reflecting the local real estate economy.



The leading indicators of property tax growth are property transfer tax and supplemental property tax growth. After record highs just a few years ago these indicators began trending downward. Consistent with these leading indicators property tax growth was sharply curtailed the past several years. Looking forward it is anticipated that property tax growth will be in the 2% range for 2012-13.



## ASSESSOR VALUES PROPERTY

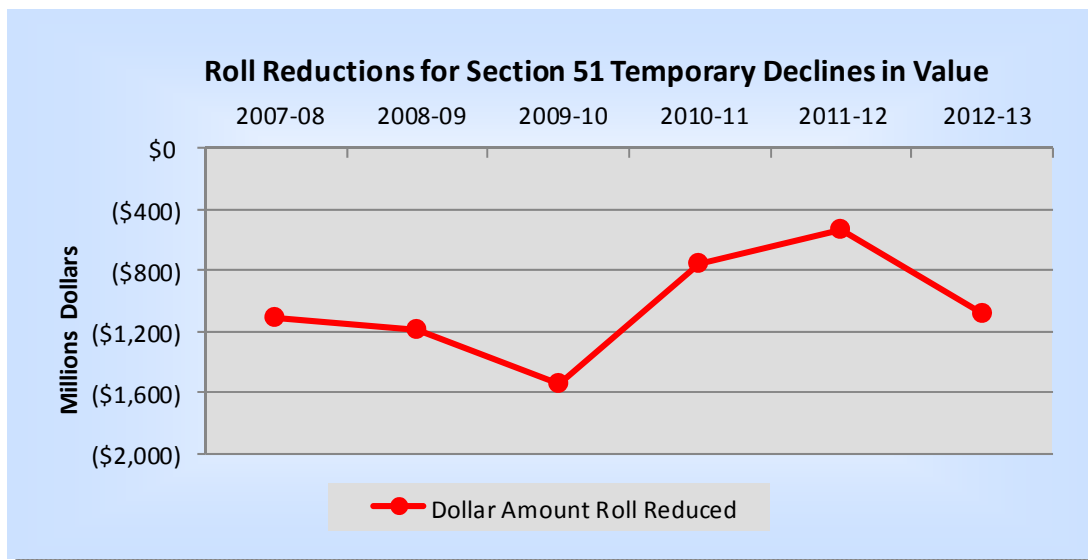
Proposition 8, passed in November 1978, amended Proposition 13 to recognize declines in value for property tax purposes. As a result, Revenue & Taxation Code Section 51 requires the Assessor to annually enroll either a property's Proposition 13 base year value factored for inflation, or its market value as of January 1<sup>st</sup>, whichever is less.

Decline in market value, Section 51 assessments, are TEMPORARY reductions that recognize the fact that the current market value as of the January 1<sup>st</sup> lien date of a property has fallen below its current Proposition 13 factored value.

Once a Section 51 reduced value has been enrolled, that property's value must be reviewed each year as

of January 1, to determine whether its current market value is less than its Proposition 13 factored value. Section 51 values can change from year-to-year as the market fluctuates. When the market value of the Section 51 property increases above its Proposition 13 factored value, the Assessor will once again enroll its Proposition 13 factored value. In no case may a value higher than a property's Proposition 13 factored value be enrolled. Properties enrolled under Section 51 provisions are not subject to the 2% annual increase limitation that applies to those enrolled under Proposition 13 provisions.

In 2012-13 the Assessor continued to review parcels for Section 51 requirements and reduced the roll by approximately \$1.08 billion dollars—more than twice the amount needed for 2011-12. As shown in the chart at the top, this is a reversal of the trend of the past two years.



### Local Secured Roll Growth By Category

	Value	Growth Pct
<b>2011-12 Net Local Secured Roll Value</b>	58,773,082,760	
Proposition 13 Inflation Adjustment	817,307,322	1.4%
Property Ownership Changes	424,309,875	0.7%
New Construction	370,272,520	0.6%
Non-Proposition 13 Value Change	81,983,154	0.1%
Other	(11,380,714)	0.0%
Section 51 Temporary Declines	(1,080,991,935)	-1.8%
<b>2012-13 Net Local Secured Roll Value</b>	<b>59,374,582,983</b>	<b>1.0%</b>

The table to the left shows roll growth classified by major categories as allowed by Proposition 13 and related legislation.

Section 51 Temporary Declines continue for 2012-13 to be the largest change category eliminating much of the growth from the other categories. Also notable this year is that the inflation adjustment was positive adding another \$817 million of growth.

The Non-Proposition 13 Value Adjustments are for properties not subject to Proposition 13 valuation rules such as agriculture preserve and mineral/oil properties.



# AUDITOR-CONTROLLER EXTENDS TAX ROLL

Once the assessed valuation is determined and enrolled by the Assessor it is delivered to the Auditor-Controller on or before July 1<sup>st</sup>. The tax roll is then extended 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.

## 5-Year Total Tax Levy

Fiscal Year	Amount
2008-09	676,513,072
2009-10	684,049,214
2010-11	690,418,680
2011-12	699,621,695
2012-13	709,147,288

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<sup>th</sup>.

Effective July 1, 1978 bonds require a two-thirds super majority vote and effective January 1, 2001, certain bonds for school facilities can be approved by 55% of voters.

## 2012-13 Tax Calculation

Local Secured Value	\$ 62,705,516,784
Local Unsecured Value	3,083,041,140
Unitary Value	874,416,090
Other Exemptions	(3,078,466,238)
<b>Taxable Values</b>	<b>63,584,507,776</b>
Homeowner Exemption	(404,954,585)
<b>Net Taxable Values</b>	<b>\$ 63,179,553,191</b>
1% Basic Tax Rate	x 1%
Property Tax	\$ 631,795,532
Bonds	35,675,386
Fixed Charges	41,175,399
Escaped Assessments	500,971
<b>Total Tax Levy</b>	<b>\$ 709,147,288</b>

School District Bonds	Bonds				
	Debt Authorized by Voters	Amount Originally Issued	Amount Remaining to be Issued	Principal Balance Outstanding as of 6/30/2012	Taxes per \$100K Assessed
<u>Elementary Schools</u>					
Buellton Union Elementary Bond 1992	\$ 3,365,000	\$ 3,365,000	\$ -	\$ 1,450,000	\$ 24.95
Buellton Union Elementary Bond 2004	6,500,000	6,495,887	-	5,810,887 <sup>¶</sup>	29.77
Cold Spring Elementary Bond 1996	2,900,000	2,900,000	-	2,240,000	8.14
Cold Spring Elementary Bond 2008	2,440,000	2,439,843	-	2,424,543 <sup>¶</sup>	6.29
College Elementary Bond 2004	9,370,000	9,369,846	-	8,433,823 <sup>¶</sup>	25.75
Goleta Union Elementary Bond 1996	26,000,000	26,000,000	-	19,470,000	16.27
Hope Elementary Bond 1995	6,000,000	6,000,000	-	4,315,000	8.33
Hope Elementary Bond 2010	8,000,000	2,998,947 <sup>‡</sup>	5,001,053 <sup>‡</sup>	2,999,860 <sup>‡¶</sup>	0.50
Los Olivos Elementary Bond 1996	2,400,000	2,400,000	-	1,935,000	20.35
Los Olivos Elementary Bond 2006	4,650,000	2,600,000	2,050,000	2,495,000	30.00
Montecito Union Elementary Bond 1997	4,500,000	4,500,000	-	3,435,000	0.89
Orcutt Union Elementary Bond 1999	15,000,000	15,000,000	-	12,610,000	25.53
Orcutt (Los Alamos) 1997	2,000,000	-	2,000,000	1,580,000	27.91
Solvang Elementary Bond 2006	11,650,000	5,637,669	6,012,331	5,232,669 <sup>¶</sup>	27.56
<u>High Schools</u>					
Santa Maria Joint High Bond 2000	30,000,000	30,000,000	-	25,125,000 <sup>¶</sup>	24.84
Santa Maria Joint High Bond 2004	79,000,000	34,998,222	44,001,778	31,638,222 <sup>¶</sup>	19.63
<u>Unified Schools</u>					
Santa Barbara - Elementary Bonds 1995	6,000,000*	6,000,000	-	430,000	1.50
Santa Barbara - Elementary Bonds 1998	25,000,000*	25,000,000	-	11,923,234	8.88
Santa Barbara - Elementary Refunding 1995/1998	†	11,745,000	-	11,745,000	6.80
Santa Barbara - Elementary Bond 2010 R	35,000,000*	14,998,229	20,001,771	14,998,229 <sup>¶</sup>	0.10
Santa Barbara - High Bond 2000	67,000,000*	67,000,000	-	55,797,912	12.98
Santa Barbara - High Bond 2010 Q	75,000,000*	39,995,428	35,004,572	39,995,428 <sup>¶</sup>	0.93
Carpinteria Bond 1995	17,500,000	17,500,000	-	13,140,000	16.50
Lompoc Bond 2002	38,000,000	38,000,000	-	33,020,971 <sup>¶</sup>	71.23
<u>Community Colleges</u>					
Allan Hancock CC Bond 2006	180,000,000	134,496,556 <sup>‡</sup>	45,503,444 <sup>‡</sup>	91,900,000 <sup>‡¶</sup>	25.00
Santa Barbara CC Bond 2008	77,242,012	42,320,000 <sup>‡</sup>	34,922,012 <sup>‡</sup>	44,805,000 <sup>‡</sup>	8.50

\* Unification did not include all feeder elementary schools therefore elementary debt must be kept separate from high school debt.

† Amount authorized by voters for Refunding (Refinance) Bond is included in 1995 & 1998 amounts noted above.

¶ Portion of debt Issued Contains Capital Appreciation Bonds or Convertible Capital Appreciation Bonds

‡ Balance reflects bonds estimated at 9/1/2012 by district to be issued subsequent to 6/30/2012

# TREASURER-TAX COLLECTOR ISSUES BILLS & COLLECTS TAXES

The Tax Collector sends annual secured tax statements (bills) by November 1<sup>st</sup>. The bill can be paid in two installments due November 1<sup>st</sup> and delinquent after December 10<sup>th</sup> and due February 1<sup>st</sup> and delinquent after April 10<sup>th</sup>. (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.

## Number of Tax Bills Issued (as of 10/10/2012)

Fiscal Year	Secured	Unsecured	Supplemental	Total
2010-11	128,185	16,479	12,833	157,497
2011-12	128,175	16,183	12,327	156,685
2012-13	128,534	15,653	2,445*	146,632


\* Partial Year

## Delinquent Tax Payment History

as of June 30th of the Fiscal Year Due

Fiscal Year	Amount	Rate
2002-03	\$ 5,570,143	1.50%
2003-04	4,663,443	1.16%
2004-05	5,171,659	1.19%
2005-06	6,940,142	1.43%
2006-07	11,228,150	2.10%
2007-08	13,846,405	2.42%
2008-09	16,920,501	2.83%
2009-10	14,790,786	2.45%
2010-11	10,304,381	1.71%
2011-12	7,844,109	1.28%

Penalties for late payments are significant at 10% for the first installment delinquency, 10% plus \$30 for the second installment delinquency and an additional 1.5% per month beginning the following July 1<sup>st</sup>. After 5 years of taxes being delinquent property can be sold at a tax sale to pay the tax. While trending higher than earlier in the decade Santa Barbara delinquency rates continue to remain among the lowest in the state.




**HARRY E. HAGEN, CPA**  
TREASURER-TAX COLLECTOR  
COUNTY OF SANTA BARBARA  
FEDERAL TAX ID# 95-6002833

P.O. BOX 579  
SANTA BARBARA, CA 93102-0579  
(805) 568-2920 SANTA BARBARA  
(805) 346-8330 SANTA MARIA

**2012-2013**  
**SECURED TAX STATEMENT**  
FOR FISCAL YEAR JULY 1, 2012 TO JUNE 30, 2013

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PARCEL NUMBER: 069-484-02-00 5      ASSESSEE ON JANUARY 1, 2012: GEIS ROBERT W/LAURA J      CORTAC-SUBSCRIBER:      LOAN NUMBER:      ADDRESS OF PROPERTY:      ASSESSED VALUE:

<p>069-484-02-00      sec **AUTO**5-DIGIT 93111 114 P55 T.SCR12SOPS-A-3 30150 1 AV 0.350      30150</p>  <p>GEIS FAMILY TRUST 3/29/12</p>	<table border="1"> <tr><td>LAND/MINERAL RIGHTS</td><td>262,257</td></tr> <tr><td>IMPROVEMENTS</td><td>269,159</td></tr> <tr><td>PERSONAL PROPERTY</td><td></td></tr> <tr><td><b>GROSS TOTAL</b></td><td><b>531,416</b></td></tr> <tr><td>HOMEOWNER'S EXEMPTION</td><td>7,000</td></tr> <tr><td>OTHER EXEMPTIONS</td><td></td></tr> <tr><td><b>NET TOTAL</b></td><td><b>524,416</b></td></tr> <tr><td colspan="2" style="text-align: center;"><b>TAX AMOUNTS</b></td></tr> <tr><td>BASIC PROPERTY TAX</td><td>5,447.00</td></tr> <tr><td>SPECIAL DISTRICTS</td><td></td></tr> <tr><td>FIXED CHARGES</td><td>558.20</td></tr> <tr><td><b>TOTAL TAX</b></td><td><b>6,005.20</b></td></tr> </table>	LAND/MINERAL RIGHTS	262,257	IMPROVEMENTS	269,159	PERSONAL PROPERTY		<b>GROSS TOTAL</b>	<b>531,416</b>	HOMEOWNER'S EXEMPTION	7,000	OTHER EXEMPTIONS		<b>NET TOTAL</b>	<b>524,416</b>	<b>TAX AMOUNTS</b>		BASIC PROPERTY TAX	5,447.00	SPECIAL DISTRICTS		FIXED CHARGES	558.20	<b>TOTAL TAX</b>	<b>6,005.20</b>
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TAX RATE AREA NUMBER	TAX RATE PERCENT	PRIOR YEAR TAXES	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL
66-004	1.03868	NONE	3,002.60	3,002.60	6,005.20
		DELINQUENT	DUE NOVEMBER 1, 2012 DELINQUENT DECEMBER 10, 2012	DUE FEBRUARY 1, 2013 DELINQUENT APRIL 10, 2013	TAXES DUE

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TAX DISTRIBUTION BY AGENCY		AMOUNT	TAX DISTRIBUTION BY AGENCY		AMOUNT
<b>BASIC PROPERTY TAXES:</b>					
0001 PROPOSITION 13: 1% TAX	568-2124	5,244.15			
6851 GOLETA UNION ELEM BOND 1996	681-1200	85.32			
8251 SBUUSD HIGH BOND 2000	963-4338	68.07			
8254 SBUUSD HIGH BOND 2010	963-4338	4.88			
9621 SBCC BOND 2008	965-0581	44.58			
<b>TOTAL BASIC PROP. TAXES</b>		<b>5,447.00</b>			
<b>FIXED CHARGES:</b>					
2126 CO SVC AREA 3 BENEFIT ASSMT	739-8756	25.00			
2127 CSA 3 LIBRARY SPECIAL TAX	568-3403	22.32			
2611 SO COAST FLD ZN2 BENEFIT ASSMT	568-3449	23.29			
4161 VECTOR MGMT DIST ASSMT-ZN1	969-5050	9.92			
4785 GOLETA SANITARY SERVICE CHARGE	967-4519	453.67			
8202 SBUUSD HIGH PARCEL TAX 2008 (H)	963-4338	24.00			
<b>TOTAL FIXED CHARGES AMOUNT</b>		<b>558.20</b>			
<b>TOTAL TAXES</b>		<b>6,005.20</b>			

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your property  
taxes online!



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Collector's website for  
more information:

www.sbtaxes.org



## AUDITOR-CONTROLLER DISTRIBUTES PROPERTY TAXES

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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 Motor Vehicle License Fee revenue for Property Taxes (the "MVLFF Swap") and temporarily exchanges Sales Tax Revenues ("Triple Flip") for Property Taxes. The *Triple Flip* expires when the State's Economic Recovery Bonds are retired in approximately 15-20 years after the initial issuance in 2004. The legislation specifies that the property tax revenues necessary for the *MVLFF Swap* and *Triple Flip* are to be taken from the County Education Revenue Augmentation Fund (ERAF).

For fiscal year 2012-13 the total *MVLFF Swap* was \$64.8 million and the *Triple Flip* was \$15.8 million of additional property taxes for cities and the county and a decrease of \$80.6 million of property tax revenue allocated to the ERAF.

On June 28, 2011, the Governor signed into law two bills affecting all Redevelopment Agencies (RDAs): ABX1 26 (the "Dissolution Bill") eliminated all redevelopment agencies (RDAs); and ABX1 27 (the "Continuation Bill") would have allowed RDAs to continue to exist if certain payments were made to schools and certain types of special districts. On December 29, 2011, the California Supreme Court upheld almost all of the Dissolution Bill but invalidated all of Continuation Bill resulting in all RDAs were deemed dissolved and their affairs are to be wound down by newly established Successor Agencies. Under the Dissolution Bill substantial new duties were assigned to the Auditor-Controller. Among those is the administration of trust funds to receipt the property tax increment that previously was distributed to RDAs and to distribute from these funds moneys to pay-off existing enforceable obligations of the former RDAs, including debt, and redistributing the balance back to the affected taxing entities (County, cities, special districts and schools that share territory with and contribute property tax increment to the RDA).

*Dissolution of Redevelopment Agencies brings complicated additional duties to the Auditor-Controller*

For fiscal year 2012-13 overall County property tax growth was lackluster. Countywide locally assessed property taxes increased \$5.2 million, representing a 0.85% increase from the prior fiscal year. Listed on the centerfold pages 6 & 7 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.

*Outlook for 2013-14 is Meager Growth*

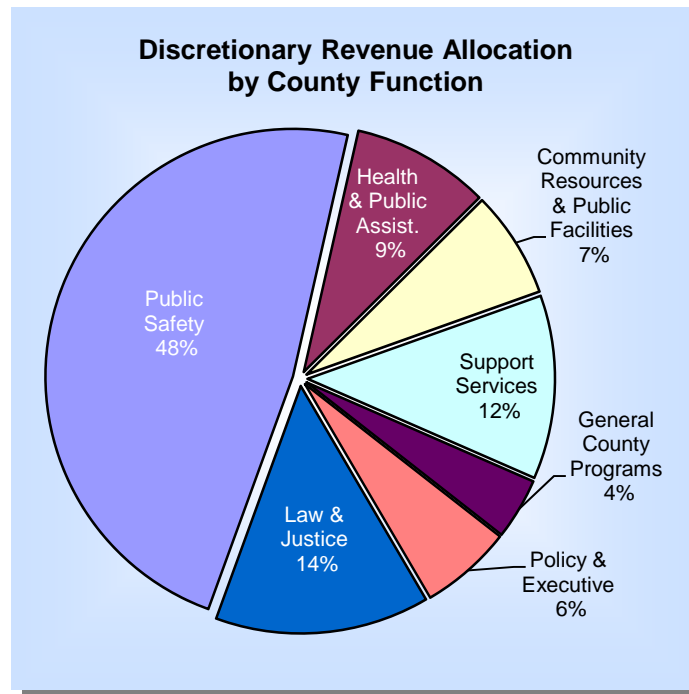
The Property Tax revenue outlook for 2013-14 is expected to be better than 2012-13. Based on an analysis of the major categories of roll growth (see page 5) countywide property tax growth is anticipated to be in the range of 2.9% before any reductions for Section 51 Temporary Declines. Assuming the necessary downward adjustment for Section 51 Temporary Declines is 0.7% will provide a net growth rate of approximately 2.2%.

# COUNTY PROPERTY TAXES

The County receives property taxes for the General Fund, five types of dependent special districts and a 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 and represents about 78% 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 2010-11	Actual 2011-12	Adopted Budget 2012-13
General Fund (Discretionary)	\$ 164,178,932	\$ 170,081,402	\$ 164,141,902
Supplemental	2,293,502	1,647,718	2,000,000
Discretionary Revenue	\$ 166,472,434	\$ 171,729,120	\$ 166,141,902
Special Districts:			
Fire	28,453,294	29,463,635	35,703,448
Flood	8,245,817	8,542,610	8,394,450
Redevelopment Agency	4,132,452	2,235,298	-
Water Agency	2,164,070	2,235,949	2,154,090
County Service Areas	932,235	951,261	951,391
Lighting	399,651	395,802	404,003
<b>Total Property Tax Revenue</b>	<b>\$ 210,799,954</b>	<b>\$ 215,553,675</b>	<b>\$ 213,749,284</b>



To see the details of the entities that receive and benefit from your tax dollars visit the Auditor-Controller's website:

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

# GLOSSARY OF PROPERTY TAX TERMS

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**APN (Assessor Parcel Number):** A unique number assigned by the County Assessor identifying a property.

**Ad Valorem Property Taxes:** Taxes calculated upon the **assessed value** of the property; in California comprised of the 1% tax stipulated by Proposition 13, and taxes authorized by voters to pay the debt service for bonds—usually related to capital improvement such as new or improved school facilities.

**Apportionment:** The distribution of property tax collections to individual **taxing jurisdictions**.

**Assessed Value:** The dollar value of property determined by the County Assessor or the State Board of Equalization (BOE) for the purposes of taxation.

**Assessee:** The owner of record on **lien date**.

**Basic Aid School:** A school whose property tax revenues exceeds the minimum annual State required revenue and is not eligible for distributions from **ERAF** or Supplemental tax revenues.

**Education Revenue Augmentation Fund (ERAF):** The fund established for the deposit of moneys deducted and transferred from the county, cities and special districts for subsequent distribution to non-**basic aid schools**.

**Escaped Assessment:** Assessed value not included on prior year tax bills; the additional taxes added to the current year bill that should have been billed in prior years had the omitted value been included on the original tax bill.

**Exemption:** A reduction in assessed value applied to a property granted for:

- **Homeowner's Exemption:** when the property is the owner's principal place of residence.
- **Other Exemptions:** a number of reasons provided by law such as nonprofit status.

**Event Date:** The date a **re-assessable event** occurs.

**Fiscal Year:** The period of July 1 through June 30.

**Fixed Charge Assessments (Special Benefit Assessments):** A charge in addition to any **ad valorem taxes** included on a tax bill. Fixed charges are not based on the assessed value of the property and are levied on a parcel basis.

**Lien date:** 12:01 a.m. January 1; the date when taxes are levied and become a lien on both real and personal property.

**Net Assessed Value:** Taxable amount of assessed property; derived from the total **assessed value** minus any **exemptions**.

**Proposition 1A (2004):** The constitutional amendment authorized by California voters that restricts the State's ability to reallocate local property taxes for the benefit of the State. Contains a provision where the reallocation probation can be suspended and limits such reallocations to no more than 8% of the prior year property tax revenues.

**Redevelopment Agency (RDA):** A legislative mechanism that allows the county or a city to revitalize blighted areas using a portion of the general property taxes allocated to the taxing jurisdictions providing services in the redevelopment project area.

**Re-Assessable Event:** Changes of ownership or completion of new construction; These events usually require the property to be re-assessed and the difference between the old assessed value and the new assessed value to be reflected on the **Supplemental Tax** roll.

**Secured Property Taxes:** Taxes that are assessed against real property (e.g., land or structures). The tax bill creates a lien that is "secured" by the land/structure even though no document is officially recorded.

**Situs Address:** The physical location of a property; the address.

**Supplemental Taxes:** Additional taxes stemming from a **re-assessable event**. Supplemental tax is generated when the new **net assessed value** exceeds the old net assessed value and the difference between the two values is multiplied by the tax rate and then prorated from the **event date** to the end of the fiscal year. A **Supplemental Refund** is created when the new assessed value from a re-assessable event is less than the old assessed value.

**Tax Rate:** The factor levied per \$100 of net assessed valuation. Tax rates are **TRA** specific.

**Tax Rate Area (TRA):** A geographical area comprised of a unique combination of **taxing jurisdictions**; an area over which a governmental body has authority to levy property taxes.

**Tax Shift:** The reallocation of taxes from one entity to another; such as the **ERAF** Shift where property taxes are transferred from the county, cities and special districts to school districts via the **Education Revenue Augmentation Fund**.

**Taxing Jurisdictions:** An entity, such as the county, cities, schools and special districts, that has statutory authority to levy **ad valorem taxes** or **fixed charge assessments**.

**Unsecured Property Tax:** Taxes that are assessed to property that can be relocated and is not real estate, such as business equipment, fixtures, boats, or airplanes.