



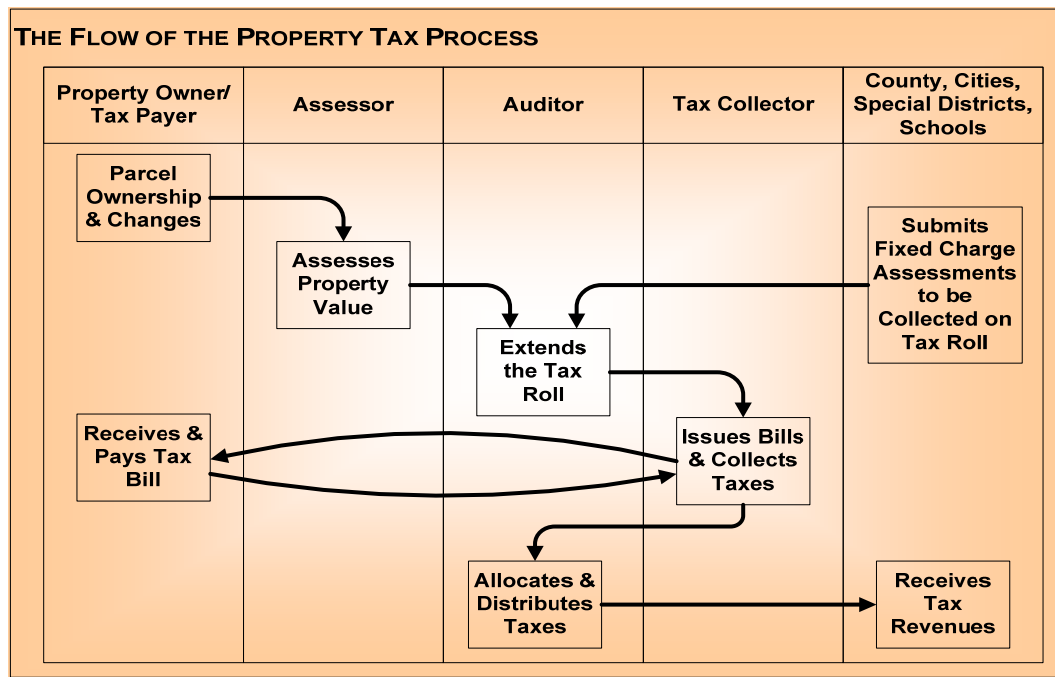
Property Tax Highlights

County of Santa Barbara

Fiscal Year July 1, 2016 to June 30, 2017

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 \$727 million for local governments within the boundaries of Santa Barbara County during fiscal year 2015-16 and is expected to generate \$756 million for fiscal year 2016-17. 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 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 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.

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

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PARCEL OWNERSHIP AND TAXPAYERS

Annually, taxable property is assessed (valued) as of January 1st (the lien date) to generate tax revenue for the fiscal year that begins the following July 1st. 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.

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

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.

The County has 130,031 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 14,900 unsecured properties within the County.

The top twenty taxpayers make up less than 4.5% of total valuation. This is an indicator that the County has a diversified tax base.

Principal Taxpayers 2016-17 (Secured, Unitary and Unsecured)			% of Total Assessed Value	Basic 1% Taxes
	Type of Property	Assessed Value		
1	United Launch Alliance, LLC	\$ 341,539,949	0.45%	\$ 3,415,399
2	Southern California Edison Co.	321,725,245	0.43%	3,217,252
3	Southern California Gas Company	244,668,302	0.32%	2,446,683
4	1260 BB Property, LLC (Biltmore)	215,414,960	0.28%	2,154,150
5	Exxon Corporation	203,316,713	0.27%	2,033,167
6	BRS Investment Properties, LLC (Bacara)	203,097,227	0.27%	2,030,972
7	Windset Farms California, Inc.	170,952,535	0.23%	1,709,525
8	Regency Tropicana, LLC	163,119,622	0.22%	1,631,196
9	Pacific Gas & Electric Co.	161,211,627	0.21%	1,612,116
10	Fairway BB Property, LLC	154,094,478	0.20%	1,540,945
11	Venoco, Inc.	145,099,549	0.19%	1,450,995
12	Space Exploration Technologies Corp.	129,691,743	0.17%	1,296,917
13	Verizon California, Inc.	126,241,831	0.17%	1,262,418
14	SP Maravilla, LLC	114,804,928	0.15%	1,148,049
15	Dario Pini	110,019,126	0.15%	1,100,191
16	Tara II, LLC	98,905,972	0.13%	989,060
17	Pacific Coast Energy Company LP	94,912,408	0.13%	949,124
18	Camino Real II Limited Liability Company	92,786,068	0.12%	927,861
19	Pacific Offshore Pipeline Co.	92,570,973	0.12%	925,710
20	Celite Corporation	91,428,165	0.12%	914,282
Total Top 20 Principal Taxpayers		\$ 3,275,601,421	4.33%	

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 several full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve qualified taxpayers from the burden of some or all property taxes.

Assessed value is determined and enrolled to the owner as of January 1st, 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 2015 are valued and enrolled as of January 1, 2016.

The inflation adjustment (the lower of 2% or CPI) is applied along with exemptions and other appraisable events. The value of \$76.0 billion as of January 1, 2016 is then taxed to provide funding for local governments for the fiscal year July 1, 2016 to June 30, 2017.

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 taxpayers 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

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

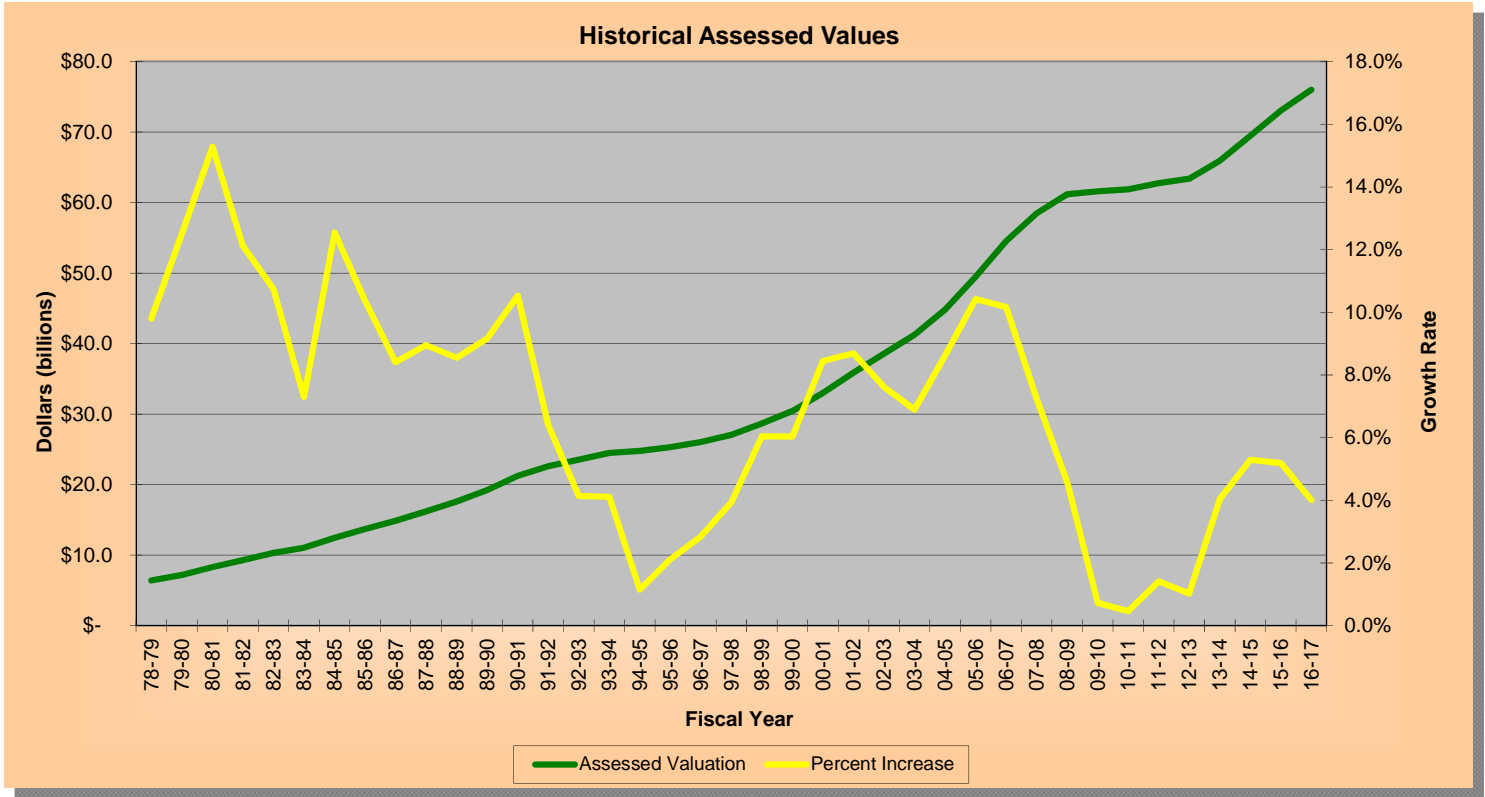
Fiscal Year	Assessed Valuation	Percent Increase
78-79	\$ 6.4	9.8%
79-80	7.2	12.5%
80-81	8.3	15.3%
81-82	9.3	12.1%
82-83	10.3	10.7%
83-84	11.1	7.3%
84-85	12.4	12.5%
85-86	13.7	10.4%
86-87	14.9	8.4%
87-88	16.2	9.0%
88-89	17.6	8.5%
89-90	19.2	9.2%
90-91	21.2	10.5%
91-92	22.6	6.4%
92-93	23.5	4.1%
93-94	24.5	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%
13-14	66.0	4.0%
14-15	69.5	5.3%
15-16	73.1	5.2%
16-17	76.0	4.0%

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

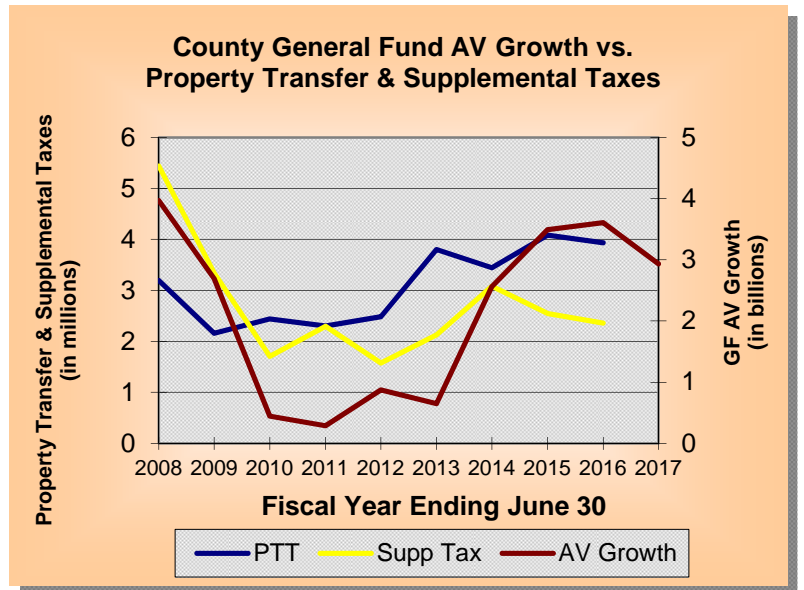
<http://sbcassessor.com>

ASSESSOR VALUES PROPERTY

Over the past 37 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 more than ten-fold from \$6.4 billion to \$76 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 recovery from the low points of the recession these indicators appear to be flattening or possibly starting to trend downward. Consistent with these leading indicators countywide property tax growth for 2016-17 fell from 4.8% to 4.0%. Looking forward it is anticipated that property tax growth will continue to be in the 4% to 5% range for 2017-18.



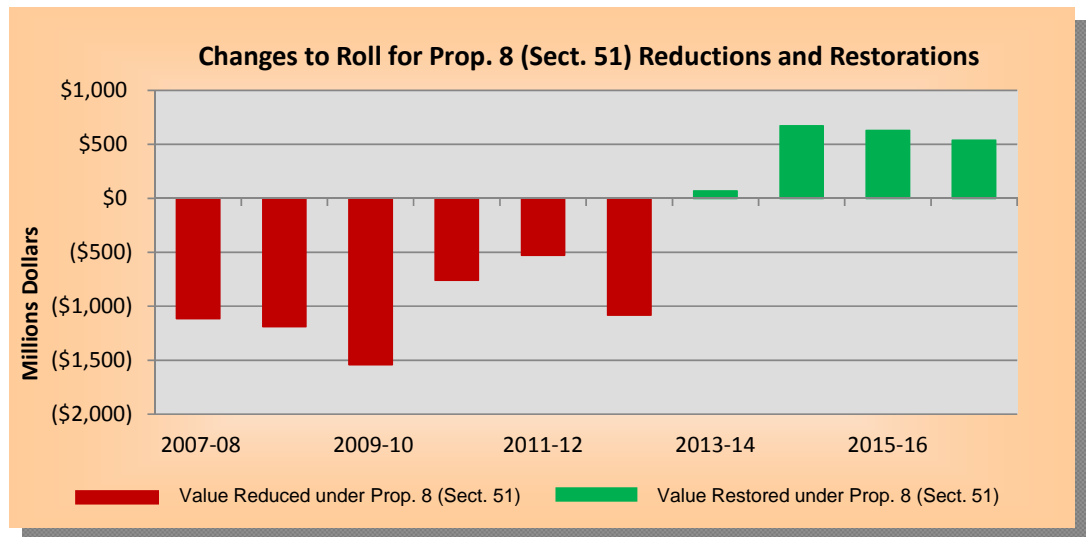
ASSESSOR VALUES PROPERTY

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 1st, whichever is less.

Decline in market value, Proposition 8 (Section 51) assessments, are TEMPORARY reductions that recognize the fact that the current market value as of the January 1st lien date of a property has fallen below its current Proposition 13 factored value.

Once a Proposition 8 (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. Proposition 8 (Section 51) values can change from year-to-year as the market fluctuates. When the market value of the Proposition 8 (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 Proposition 8 (Section 51) provisions are not subject to the 2% annual increase limitation that applies to those enrolled under Proposition 13 provisions.



Due to continued improvement in the real estate market for 2016-17 the Assessor was again able to restore value to those properties previously reduced under Proposition 8 (Section 51). See graph above.

Local Secured Roll Growth By Category

	Value	Growth Pct
2015-16 Net Local Secured Roll Values	68,239,602,268	
Proposition 13 Inflation Adjustment	733,773,770	1.1%
Property Ownership Changes	1,550,324,006	2.3%
New Construction	514,970,701	0.8%
Non-Proposition 13 Value Change	50,557,189	0.1%
Other	(487,488,640)	-0.7%
Restoration of Prop. 8 (Sect. 51)	539,828,799	0.8%
2016-17 Net Local Secured Roll Values	71,141,568,093	4.3%

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

Property Ownership Changes and the Prop 13 Inflation Factor account for the majority of this year’s roll increase. Also notable this year is that the negative growth rate for the Other category (reflecting mostly reduced valuations of Oil Mineral & Gas properties) diminished the overall growth rate to 4.3%.

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

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 1st. 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. Most outstanding bonds in the County are for school facilities.

2016-17 Tax Calculation

Local Secured Value	\$ 75,143,247,730
Local Unsecured Value	3,603,347,529
Unitary Value	1,052,686,872
Other Exemptions	(3,807,072,075)
Taxable Values	75,992,210,056
Homeowner Exemption	(385,974,104)
Net Taxable Values	\$ 75,606,235,952
1% Basic Tax Rate	x 1%
Property Tax	\$ 756,062,360
Bonds	47,464,934
Fixed Charges	50,102,891
Escaped Assessments	-
Total Tax Levy	\$ 853,630,185

5-Year Total Tax Levy

Fiscal Year	Amount
2012-13	709,077,765
2013-14	741,232,340
2014-15	806,975,145
2015-16	821,257,783
2016-17	853,630,185

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 the 4th Monday in September.

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.

School District Bonds 2016-17

District / Election	Debt Authorized by Voters	Amount Originally Issued	Amount Remaining to be Issued	Bonds		Maturity Date	2016-17 Taxes per \$100K Assessed Value
				Principal Balance Outstanding as of 06/30/2016	Interest Balance Outstanding as of 06/30/2016		
Elementary Schools							
Buellton Union Elementary Bond 1992	\$ 3,365,000	\$ 3,365,000	\$ —	\$ 525,000	\$ 29,830	07/01/17	\$ 23.08
Buellton Union Elementary Bond 2004	6,500,000	6,495,887 [†]	— [†]	4,930,887 [†]	8,584,714 [†]	02/01/34	31.28
Cold Spring Elementary Bond 1996	2,900,000	2,900,000	—	1,805,000	473,408	08/01/27	5.01
Cold Spring Elementary Bond 2008	2,440,000	2,439,843 [†]	— [†]	2,349,063 [†]	3,293,487 [†]	08/01/39	7.06
College Elementary Bond 2004	9,370,000	9,369,846 [†]	— [†]	7,268,193 [†]	12,538,916 [†]	08/01/34	26.78
Goleta Union Elementary Bond 1996	26,000,000	26,000,000	—	15,795,000	5,064,800	08/01/29	10.61
Hope Elementary Bond 1995	6,000,000	6,000,000	—	3,195,000	771,050	08/01/26	4.35
Hope Elementary Bond 2010	8,000,000	7,998,947 [†]	— [†]	7,774,860 [†]	12,303,628 [†]	08/01/40	10.79
Los Olivos Elementary Bond 1996	2,400,000	2,400,000	—	1,580,000	458,530	08/01/28	17.77
Los Olivos Elementary Bond 2006	4,650,000	2,600,000	2,050,000	2,415,000	1,376,375	08/01/32	30.00
Montecito Union Elementary Bond 1997	4,500,000	4,500,000	—	2,810,000	755,174	08/01/28	0.19
Orcutt Union Elementary Bond 1999	15,000,000	15,000,000	—	10,540,000	2,802,919	02/01/31	23.04
Orcutt (Los Alamos) 1997	2,000,000	2,000,000	—	1,280,000	268,147	08/01/28	19.33
Santa Maria Bonita Elementary Bond 2014	45,000,000	30,000,000	15,000,000	30,000,000	27,616,678	08/01/44	25.75
Solvang Elementary Bond 2006	11,650,000	8,449,831 [†]	3,202,331 [†]	7,229,202 [†]	3,540,931 [†]	08/01/40	27.56
High Schools							
Santa Maria Joint High Bond 2000	30,000,000	30,000,000 [†]	— [†]	17,870,000 [†]	1,652,936 [†]	08/01/24	25.17
Santa Maria Joint High Bond 2004	79,000,000	78,994,254 [†]	— [†]	69,679,254 [†]	55,378,491 [†]	08/01/37	24.26
Unified Schools							
Santa Barbara Unified - Elementary Bonds 1995	6,000,000*	6,000,000	—	3,070,000	714,478	08/01/26	1.54
Santa Barbara Unified - Elementary Bonds 1998	25,000,000*	25,000,000 [†]	— [†]	15,694,256 [†]	4,105,935 [†]	08/01/29	8.68
Santa Barbara Unified - Elementary Bond 2010 R	35,000,000*	34,998,229 [†]	— [†]	34,528,229 [†]	70,173,858 [†]	08/01/41	7.54
Santa Barbara Unified - High Bond 2000	67,000,000*	67,000,000 [†]	— [†]	45,145,479 [†]	15,737,446 [†]	08/01/30	9.54
Santa Barbara Unified - High Bond 2010 Q	75,000,000*	74,995,428 [†]	— [†]	73,445,428 [†]	151,372,639 [†]	08/01/45	6.27
Carpinteria Unified Bond 1995	17,500,000	17,500,000	—	10,025,000	3,306,600	08/01/28	6.98
Carpinteria Unified Bond 2014	90,000,000	20,000,000	70,000,000	20,000,000	10,499,875	08/01/40	46.50
Lompoc Unified Bond 2002	38,000,000	38,000,000 [†]	— [†]	25,665,971 [†]	8,812,842 [†]	06/01/32	75.98
Community Colleges							
Allan Hancock CC Bond 2006	180,000,000	143,269,933 [†]	36,730,067 [†]	128,079,576 [†]	199,286,017 [†]	08/01/47	25.00
Santa Barbara CC Bond 2008	77,242,012	62,000,000	—	66,700,000	38,629,863	08/01/40	7.31

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

† Portion of debt issued contains Capital Appreciation Bonds (CABs) or Convertible Capital Appreciation Bonds

TREASURER-TAX COLLECTOR ISSUES BILLS & COLLECTS TAXES

The Tax Collector mails annual secured tax bills by November 1st. The bill can be paid in two installments due November 1st and delinquent after December 10th and due February 1st and delinquent after April 10th. Note that tax payments are due well into the fiscal year (July to June) for which they fund.

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 04/04/2017)

Fiscal Year	Secured	Unsecured	Supplemental	Total
2014-15	128,862	15,145	9,257	153,264
2015-16	130,083	15,071	9,167	154,321
2016-17	130,279	14,985	4,694*	149,958


* Partial Year

Delinquent Tax Payment History

as of June 30th of the Fiscal Year Due

Fiscal Year	Amount	Rate
2006-07	\$ 11,224,712	2.10%
2007-08	13,843,490	2.42%
2008-09	16,920,501	2.83%
2009-10	14,746,486	2.45%
2010-11	10,304,381	1.71%
2011-12	7,844,109	1.28%
2012-13	6,286,421	1.01%
2013-14	5,152,298	0.80%
2014-15	5,693,858	0.84%
2015-16	7,100,000	1.00%

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 1st. After 5 years of taxes being delinquent property can be sold at a tax sale to pay the tax and related penalties, fees and costs. While spiking during the recession Santa Barbara County delinquency rates are trending lower and continue to remain among the lowest in the state.



HARRY E. HAGEN, CPA
TREASURER-TAX COLLECTOR
COUNTY OF SANTA BARBARA
FEDERAL TAX ID# 95-8002833

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(805)568-2920 SANTA BARBARA
(805)346-8330 SANTA MARIA

SECURED 2016-2017
PROPERTY TAX STATEMENT
FOR THE FISCAL YEAR JULY 1, 2016 TO JUNE 30, 2017

PARCEL NUMBER
000-000-000

ADDRESS OF PROPERTY
SANTA BARBARA CA 93111

MAIL TO
INTENTIONALLY OMITTED

ASSESSEE ON JANUARY 1, 2016
INTENTIONALLY OMITTED

CORTAC-SUBSCRIBER
20161046044

BILL NUMBER
20161046044

TAX RATE AREA NUMBER
066004

TAX RATE PERCENT
1.03373

DELINQUENT PRIOR YEARS TAXES
NONE

FIRST INSTALLMENT
\$3,157.02

SECOND INSTALLMENT
\$3,157.02

TOTAL
\$6,314.04

TAX DISTRIBUTION BY AGENCY		AMOUNT	TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES:			TOTAL TAXES		\$6,314.04
0000 Basic 1% (Prop 13/AB8) Taxes	568-2124	\$5,568.50			=====
6851 Goleta Union Bond 1996	681-1200	\$59.08			
8251 SB Unified High Bond 2000	963-4338	\$53.12			
8254 SB Unified High Bond 2010	963-4338	\$34.91			
9621 SBCC Bond 2008	965-0581	\$40.71			
TOTAL BASIC PROPERTY TAXES:		\$5,756.32			
FIXED CHARGES:					
2126 CSA 3 Ben Assmt	739-8756	\$25.00			
2127 CSA 3 Library Special Tax	568-3403	\$23.46			
2611 South Coast Flood Zn Ben Assmt	568-3449	\$24.32			
4161 SB Mosquito/Vector Assmt Zn1	969-5050	\$10.71			
4785 Goleta San Dist Srvc Chrg	967-4519	\$429.23			
8202 SB Unified High Parcel Tax	963-4338	\$45.00			
TOTAL FIXED CHARGES:		\$557.72			

DUE NOV 1, 2016 DELINQUENT AFTER DEC 12, 2016

DUE FEB 1, 2017 DELINQUENT AFTER APRIL 10, 2017

TAXES DUE

You can pay your property taxes online



Visit the Treasurer-Tax Collector's website for more information:

www.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.

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"). The legislation specifies that the property tax revenues necessary for the *MVLFF Swap* are to be taken from the County Education Revenue Augmentation Fund (ERAF). For fiscal year 2016-17 the total *MVLFF Swap* was \$77.6 million of additional property taxes for cities and the county and a corresponding decrease of property tax revenue allocated to the ERAF.

In fiscal year 2011-12 the dissolution of Redevelopment Agencies (RDAs) was upheld by the California Supreme Court and all RDAs were deemed dissolved. Newly established Successor Agencies were created to wind down each RDAs affairs and to pay off the RDAs existing debt obligations.

RDA Dissolution Brings New Duties to Auditor

Under RDA Dissolution substantial new duties were assigned to the Auditor-Controller. Among those is the administration of trust funds to receipt the property tax increment contributed by the Affected Taxing Entities (ATEs) that previously would have been distributed to RDAs. From these trust funds the Auditor then distributes any required pass-through payments to ATEs and moneys to the Successor Agencies to pay existing enforceable obligations (including debt) of the former RDAs. Any residual balance in the trust funds is then distributed by the Auditor back to the ATEs.

In addition the Auditor is required to distribute to the ATEs any moneys received from successor agencies representing the return of assets accumulated by the former RDA.

RDA Dissolution Distributions to Affected Taxing Entities			
Fiscal Year 2015-16			
	Other Funds and Assets	Current Year Residual	Total
County	\$ 836,471	\$ 5,600,109	\$ 6,436,580
Cities	1,256,186	2,561,519	3,817,704
Special Districts	798,170	1,861,451	2,659,620
K-12 Schools	2,698,471	8,255,447	10,953,918
County Office of Education	215,684	887,962	1,103,646
ERAF	474,542	2,564,131	3,038,673
Community Colleges	312,370	1,292,227	1,604,597
	<u>\$ 6,591,893</u>	<u>\$ 23,022,845</u>	<u>\$ 29,614,738</u>

During Fiscal Year 2015-16 \$43.6 million of tax increment was deposited into the trust funds with \$5.4 million of pass-through payments being distributed to RDA Affected Tax Entities (ATEs). After distributing \$14.5 million to successor agencies to make enforceable obligation payments, the remaining (residual) \$23.0 million was distributed back to ATEs as property tax revenues. In addition, \$6.6 million of other cash assets were submitted

from Successor Agencies and returned to the ATEs by the Auditor-Controller. In 2015-16 RDA Dissolution returned \$29.6 million to ATEs.

Of the seven original RDAs within the county, Buellton dissolved in 2015-16, leaving six still in the wind down process.

AUDITOR-CONTROLLER DISTRIBUTES PROPERTY TAXES

For fiscal year 2016-17 overall County property tax growth at 4.0% was still good but less than in the prior two years. Locally assessed property taxes increased \$28.9 million in 2016-17 which is less than the prior year growth of a \$33.2 million. 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.

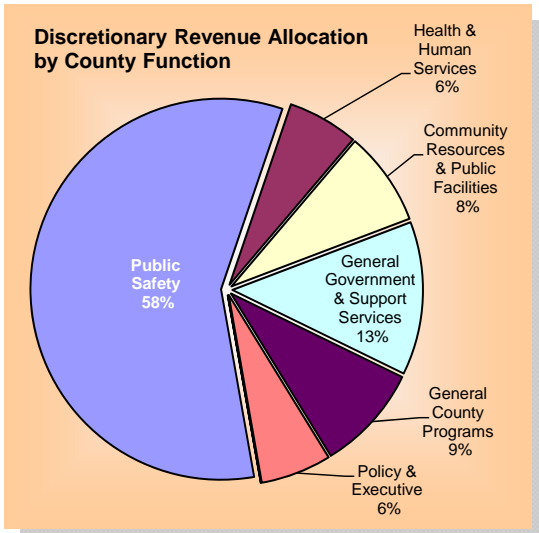
The Property Tax revenue outlook for 2017-18 looks slightly better than in 2016-17. Based on an analysis of the major categories of roll growth countywide property tax growth is anticipated to be in the range of 4.0% - 5.0%. (For last year's growth by category refer to the table on page 5.)

This is based on the expectation that the CPI factor to be used for the Proposition 13 Inflation Adjustment will contribute 1.5%. Continued growth in both Ownership Changes and New Construction is anticipated to bring in an additional 2.5% combined. The Other category is projected to provide no growth as Oil & Gas properties are thought to have bottomed. Finally the restoration of value for those properties in the Proposition 8 (Section 51) Temporary Declines category is expected to contribute another 0.5% growth. Adding them up gives an anticipated growth rate of 4.5%.

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.

County Property Tax Revenues			Adopted Budget
	Actual 2014-15	Actual 2015-16	2016-17
General Fund (Discretionary)	\$ 181,399,827	\$ 191,115,363	\$ 196,068,000
Supplemental	2,583,467	2,395,197	3,867,000
Discretionary Revenue	\$ 183,983,294	\$ 191,115,363	\$ 196,068,000
Special Districts:			
Fire	43,300,064	45,827,235	49,273,000
Flood	9,703,695	10,196,534	10,244,595
Water Agency	2,546,929	2,675,228	2,669,023
County Service Areas	1,050,080	1,103,421	1,145,959
Lighting	429,418	451,782	470,588
Total Property Tax Revenue	\$ 241,013,479	\$ 251,369,562	\$ 259,871,165



The General Fund property tax is the most important tax source for the County and represents about 83% 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. However, the state requires mandated services in health and public assistance without providing adequate funding that also competes for this important revenue source.

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>

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.

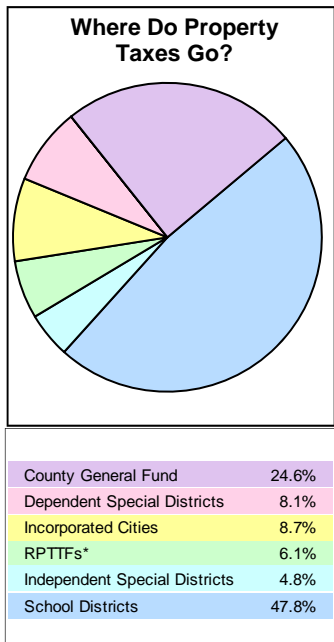
County of Santa Barbara Summary of Fiscal Year 2016-17 Incremental Growth and Property Tax Allocation by Fund

For Secured and Unsecured Property Taxes (including Homeowner Subventions) Excluding Unitary and Aircraft

FUND NO	TAXING AGENCY	PRIOR YEAR ALLOCATION NET OF RDAS	CURRENT YEAR ALLOCATION NET OF RDAS	CURRENT YEAR INCREMENTAL GROWTH \$	CURRENT YEAR INCREMENTAL GROWTH %	MVLF SWAP (SB1096)	CURRENT YEAR ALLOCATION NET OF SB1096	PCT OF TOTAL
0001	COUNTY GENERAL FUND	\$ 128,730,028	\$ 132,429,324	\$ 3,699,296	2.87%	\$ 51,485,351	\$ 183,914,675	24.6%
DEPENDENT SPECIAL DISTRICTS								
2120	COUNTY SERVICE AREA #3	\$ 832,243	\$ 874,169	\$ 41,926	5.04%	\$ -	\$ 874,169	0.1%
2130	COUNTY SERVICE AREA #4	35,503	37,603	2,100	5.91%	-	37,603	0.0%
2140	COUNTY SERVICE AREA #5	104,774	111,522	6,748	6.44%	-	111,522	0.0%
2170	COUNTY SERVICE AREA #11	43,344	45,674	2,330	5.38%	-	45,674	0.0%
2220	COUNTY SERVICE AREA #31	12,861	12,861	0	0.00%	-	12,861	0.0%
2280	SB COUNTY FIRE PROTECTION	44,207,542	46,237,470	2,029,928	4.59%	-	46,237,470	6.2%
2400	SB COUNTY FLOOD CONTROL/WATER CONSERV	1,957,134	2,031,302	74,168	3.79%	-	2,031,302	0.3%
2460	GUADALUPE FLOOD ZONE #3	43,024	45,882	2,858	6.64%	-	45,882	0.0%
2470	LOMPOC CITY FLOOD ZONE #2	258,686	267,229	8,543	3.30%	-	267,229	0.0%
2480	LOMPOC VALLEY FLOOD ZONE #2	182,645	189,513	6,868	3.76%	-	189,513	0.0%
2500	LOS ALAMOS FLOOD ZONE #1	75,412	60,891	(14,521)	-19.26%	-	60,891	0.0%
2510	ORCUTT FLOOD ZONE #3	286,410	297,353	10,943	3.82%	-	297,353	0.0%
2560	SANTA MARIA FLOOD ZONE #3	839,944	885,759	45,815	5.45%	-	885,759	0.1%
2570	SM RIVER LEVEE MAINTENANCE ZONE	79,051	83,647	4,596	5.81%	-	83,647	0.0%
2590	SANTA YNEZ FLOOD ZONE #3	296,857	313,019	16,162	5.44%	-	313,019	0.0%
2610	SOUTH COAST FLOOD ZONE #2	5,556,974	5,794,797	237,823	4.28%	-	5,794,797	0.8%
2670	NORTH COUNTY LIGHTING	436,598	458,350	21,752	4.98%	-	458,350	0.1%
2700	MISSION LIGHTING DISTRICT	7,241	7,582	341	4.71%	-	7,582	0.0%
3050	SANTA BARBARA COUNTY WATER	2,523,887	2,619,975	96,088	3.81%	-	2,619,975	0.4%
TOTAL DEPENDENT SPECIAL DISTRICTS		\$ 57,780,130	\$ 60,374,598	\$ 2,594,468	4.49%	\$ -	\$ 60,374,598	8.1%
INCORPORATED CITIES								
0578	CITY OF BUELLTON	\$ 1,046,358	\$ 1,276,837	\$ 230,479	22.03%	\$ 420,605	\$ 1,697,442	0.2%
0580	CITY OF CARPINTERIA	1,794,452	1,877,318	82,866	4.62%	1,357,866	3,235,184	0.4%
0632	CITY OF GOLETA	2,598,425	2,722,618	124,193	4.78%	3,078,485	5,801,103	0.8%
0640	CITY OF GUADALUPE	144,418	158,742	14,324	9.92%	550,930	709,672	0.1%
0700	CITY OF LOMPOC	3,508,166	3,641,861	133,695	3.81%	3,307,035	6,948,896	0.9%
0760	CITY OF SANTA BARBARA	18,283,150	19,269,137	985,987	5.39%	9,181,488	28,450,625	3.8%
0840	CITY OF SANTA MARIA	8,650,764	9,296,099	645,335	7.46%	7,728,647	17,024,746	2.3%
0875	CITY OF SOLVANG	673,287	713,959	40,672	6.04%	470,746	1,184,705	0.2%
TOTAL INCORPORATED CITIES		\$ 36,699,020	\$ 38,956,571	\$ 2,257,551	6.15%	\$ 26,095,802	\$ 65,052,373	8.7%
RDAPROPERTY TAX TRUST FUNDS (RPTTFs)*								
0577	BUELLTON CITY	\$ 877,530	\$ -	\$ (877,530)	-100.00%	\$ -	\$ -	0.0%
0633	GOLETA CITY - OLD TOWN PROJECT	4,540,886	4,989,476	448,590	9.88%	-	4,989,476	0.7%
0685	GUADALUPE CITY	1,813,494	1,943,786	130,292	7.18%	-	1,943,786	0.3%
0725	LOMPOC OLD TOWN-AREA 1	310,603	331,181	20,578	6.63%	-	331,181	0.0%
0726	LOMPOC OLD TOWN-AREA 2	2,710,713	2,956,169	245,456	9.06%	-	2,956,169	0.4%
0727	LOMPOC OLD TOWN-AREA 3	70,940	73,443	2,503	3.53%	-	73,443	0.0%
0785	SANTA BARBARA CITY - CENTRAL	22,976,517	24,885,605	1,909,088	8.31%	-	24,885,605	3.3%
3128	SB COUNTY - ISLA VISTA PROJECT	8,317,895	9,338,768	1,020,873	12.27%	-	9,338,768	1.2%
4308	SANTA MARIA CITY - PROJECT IV	1,031,789	1,004,868	(26,921)	-2.61%	-	1,004,868	0.1%
TOTAL RPTTFs		\$ 42,650,367	\$ 45,523,296	\$ 2,872,929	6.74%	\$ -	\$ 45,523,296	6.1%
INDEPENDENT SPECIAL DISTRICTS								
0602	CITY OF CARP - LIGHTING #1	\$ 318,301	\$ 333,176	\$ 14,875	4.67%	\$ -	\$ 333,176	0.0%
0680	GUADALUPE CITY LIGHTING	15,606	17,627	2,021	12.95%	-	17,627	0.0%
3210	SANTA MARIA PUBLIC AIRPORT	1,415,352	1,452,293	36,941	2.61%	-	1,452,293	0.2%
3260	CARPINTERIA CEMETERY	188,186	196,897	8,711	4.63%	-	196,897	0.0%
3270	GOLETA CEMETERY	460,043	474,582	14,539	3.16%	-	474,582	0.1%
3280	GUADALUPE CEMETERY	47,782	50,240	2,458	5.14%	-	50,240	0.0%
3290	LOMPOC CEMETERY	362,136	371,353	9,217	2.55%	-	371,353	0.0%
3300	LOS ALAMOS CEMETERY	16,291	15,218	(1,073)	-6.59%	-	15,218	0.0%
3310	OAK HILL CEMETERY	184,783	194,649	9,866	5.34%	-	194,649	0.0%
3320	SANTA MARIA CEMETERY	670,423	689,395	18,972	2.83%	-	689,395	0.1%
3516	LOS ALAMOS COMMUNITY SERVICE	66,830	69,636	2,806	4.20%	-	69,636	0.0%
3566	SANTA YNEZ COMMUNITY SERVICE	157,863	163,510	5,647	3.58%	-	163,510	0.0%
3630	CARP-SUMMERLAND FIRE PROTECTION	8,061,668	8,434,016	372,348	4.62%	-	8,434,016	1.1%
3650	MONTECITO FIRE PROTECTION	15,286,187	15,999,796	713,609	4.67%	-	15,999,796	2.1%
3750	LOMPOC HOSPITAL	920,518	944,141	23,623	2.57%	-	944,141	0.1%
3817	EMBARCADERO MUNICIPAL IMPROVEMENT	267,995	279,389	11,394	4.25%	-	279,389	0.0%
4090	SANTA BARBARA METRO TRANSIT	1,011,581	1,061,990	50,409	4.98%	-	1,061,990	0.1%
4150	CARPINTERIA MOSQUITO ABATEMENT	129,010	135,496	6,486	5.03%	-	135,496	0.0%
4160	SANTA BARBARA COASTAL VECTOR CONTROL	262,181	268,746	6,565	2.50%	-	268,746	0.0%
4300	STOWELL PARKING/LIGHTING	22,191	23,209	1,018	4.59%	-	23,209	0.0%
4400	CUYAMA VALLEY RECREATION	103,504	92,825	(10,679)	-10.32%	-	92,825	0.0%
4410	ISLA VISTA RECREATION & PARK	106,402	106,402	0	0.00%	-	106,402	0.0%
4500	CACHUMA RESOURCE CONSERVATION	95,975	98,329	2,354	2.45%	-	98,329	0.0%
4560	CARPINTERIA SANITARY	531,268	556,085	24,817	4.67%	-	556,085	0.1%
4640	GOLETA SANITARY	134,694	137,888	3,194	2.37%	-	137,888	0.0%
4900	GOLETA WEST SANITARY	1,992,051	2,076,742	84,691	4.25%	-	2,076,742	0.3%
5100	MONTECITO SANITARY	511,115	534,149	23,034	4.51%	-	534,149	0.1%
5215	SUMMERLAND SANITARY	208,637	215,680	7,043	3.38%	-	215,680	0.0%
5700	SANTA MARIA VALLEY WATER CONSERVATION	251,490	266,807	15,317	6.09%	-	266,807	0.0%
5800	SANTA YNEZ RIVER WATER CONSERVATION	251,343	263,764	12,421	4.94%	-	263,764	0.0%
TOTAL INDEPENDENT SPECIAL DISTRICTS		\$ 34,051,406	\$ 35,524,030	\$ 1,472,624	4.32%	\$ -	\$ 35,524,030	4.8%
SCHOOL DISTRICTS								
6001	BALLARD ELEMENTARY SCHOOL†	\$ 1,557,055	\$ 1,602,261	\$ 45,206	2.90%	\$ -	\$ 1,602,261	0.2%
6101	BLOCHMAN UNION ELEMENTARY SCHOOL	410,176	370,766	(39,410)	-9.61%	-	370,766	0.0%
6301	BUELLTON UNION ELEMENTARY SCHOOL†	2,914,428	3,299,545	385,117	13.21%	-	3,299,545	0.4%
6501	COLD SPRING ELEMENTARY SCHOOL†	3,180,170	3,328,458	148,288	4.66%	-	3,328,458	0.4%
6601	COLLEGE ELEMENTARY SCHOOL†	4,473,167	4,643,039	169,872	3.80%	-	4,643,039	0.6%
6801	GOLETA UNION ELEMENTARY SCHOOL†	30,211,982	31,046,344	834,362	2.76%	-	31,046,344	4.2%
6901	GUADALUPE UNION ELEMENTARY SCHOOL	733,296	764,273	30,977	4.22%	-	764,273	0.1%
7001	HOPE ELEMENTARY SCHOOL†	7,936,181	8,281,926	345,745	4.36%	-	8,281,926	1.1%
7201	LOS OLIVOS ELEMENTARY SCHOOL†	1,493,751	1,505,250	11,499	0.77%	-	1,505,250	0.2%
7301	MONTECITO UNION ELEMENTARY SCHOOL†	11,137,858	11,650,126	512,268	4.60%	-	11,650,126	1.6%
7401	ORCUTT UNION ELEMENTARY SCHOOL	10,812,668	10,686,633	(126,035)	-1.17%	-	10,686,633	1.4%
7601	SANTA MARIA/BONITA ELEMENTARY SCHOOL	16,968,219	17,944,403	976,184	5.75%	-	17,944,403	2.4%
7701	SOLVANG ELEMENTARY SCHOOL	2,603,752	2,747,967	144,215	5.54%	-	2,747,967	0.4%
7801	VISTA DEL MAR ELEMENTARY SCHOOL†	1,324,216	1,148,285	(175,931)	-13.29%	-	1,148,285	0.2%
8201	SANTA BARBARA UNIFIED SCHOOL	95,968,595	100,733,791	4,765,196	4.97%	-	100,733,791	13.5%
8301	SANTA MARIA JOINT UNION HIGH SCHOOL	25,368,258	25,938,999	570,741	2.25%	-	25,938,999	3.5%
8401	SANTA YNEZ VALLEY HIGH SCHOOL†	10,770,159	11,084,283	314,124	2.92%	-	11,084,283	1.5%
8701	CARPINTERIA UNIFIED SCHOOL†	19,119,828	20,007,457	887,629	4.64%	-	20,007,457	2.7%
8801	CUYAMA UNIFIED SCHOOL	808,497	721,024	(87,473)	-10.82%	-	721,024	0.1%
8901	LOMPOC UNIFIED SCHOOL	14,855,783	15,210,635	354,852	2.39%	-	15,210,635	2.0%
9401	ALLAN HANCOCK COMMUNITY COLLEGE	13,208,097	13,518,529	310,432	2.35%	-	13,518,529	1.8%
9610	SANTA BARBARA COMMUNITY COLLEGE	25,311,619	26,474,891	1,163,272	4.60%	-	26,474,891	3.5%
9801	COUNTY SCHOOL SERVICE FUND	26,467,780	27,478,367	1,010,587	3.82%	-	27,478,367	3.7%
9802	EDUCATION REVENUE AUGMENTATION (ERAF)	91,030,919	94,527,353	3,496,434	3.84%	(77,581,153)	16,946,200	2.3%
TOTAL SCHOOL DISTRICTS		\$ 418,666,454	\$ 434,714,605	\$ 16,048,151	3.83%	\$ (77,581,153)	\$ 357,133,452	47.8%
COUNTYWIDE TOTALS		\$ 718,577,405	\$ 747,522,424	\$ 28,945,019	4.03%	\$ -	\$ 747,522,424	100.0%

The County's General Fund allocation is \$184 million which reflects a permanent tax transfer of \$12.2 million to the SB County Fire Protection District.

For fiscal year 2016-17 Secured, Unsecured Property Taxes and Homeowner Subventions are expected to generate \$747.5 Million for local governments within the county.



The net effect of the MVLF Swap is a \$77.5 million decrease in taxes allocated to the ERAF fund.

Local school districts receive an allocation of \$357 million.

Included in this allocation is \$3.9 million of Homeowner Subventions received from the State but not included are \$12.3 million of Unitary & Aircraft taxes which are required to be distributed under different formulas.

* Redevelopment Property Tax Trust Funds (RPTTFs) are trust funds established for the dissolution of redevelopment agencies under ABX1 26 (2011). Any amounts remaining in the RPTTFs after funding pass-through payments and obligations of former RDAs are returned to affected taxing agencies. † Basic Aid School District

GLOSSARY OF PROPERTY TAX TERMS

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.

Affected Taxing Entity (ATE): A taxing entity that shares territory with and contributes property tax increment to a **Successor Agency** of a dissolved RDA.

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 formally allowed 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. **Successor Agencies** have been established to wind down the affairs of the former RDAs.

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.

Successor Agency: The legal entity formed to wind down the affairs of a dissolved **Redevelopment Agency**.

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.