

Should Flips and Swaps Lead to Big Jumps?

The Sales Tax Triple Flip, VLF Swap
and Property Tax Admin Fees



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Property Tax Admin Fee Calcs

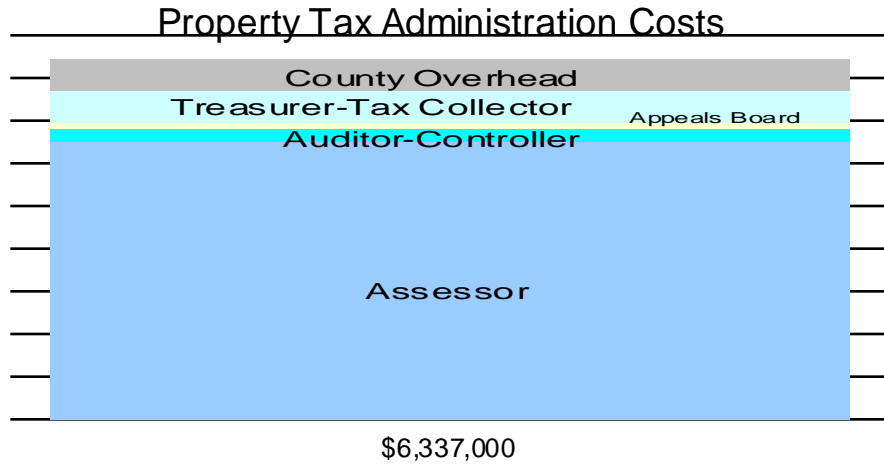
an example ...

Property Tax Administration Costs

Auditor-Controller	316,000
Assessor	6,509,000
Assmt Appeals Bd	108,000
Treasurer/Tax Collector	785,000
County Overhead	<u>740,000</u>
SubTotal	<u>8,458,000</u>
Functional Revenues	2,121,000
incl SB90 reimbursements	<u> </u>
Net Cost	<u>6,337,000</u>

Property Tax Admin Fee Calcs

an example ...



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Property Tax Admin Fee Calcs

an example ...

Property Tax Apportionment *

City of Aye	10,440,800	1.6%
City of Bee	22,398,500	3.4%
City of Sea	27,244,700	4.1%
City of Dee	6,372,000	1.0%
Bee Redev Area	5,000,000	0.8%
Special District	107,975,200	16.2%
County	112,975,200	17.0%
ERAF	118,282,350	17.8%
School Districts	<u>253,871,250</u>	38.2%
Total	<u>664,560,000</u>	100.0%

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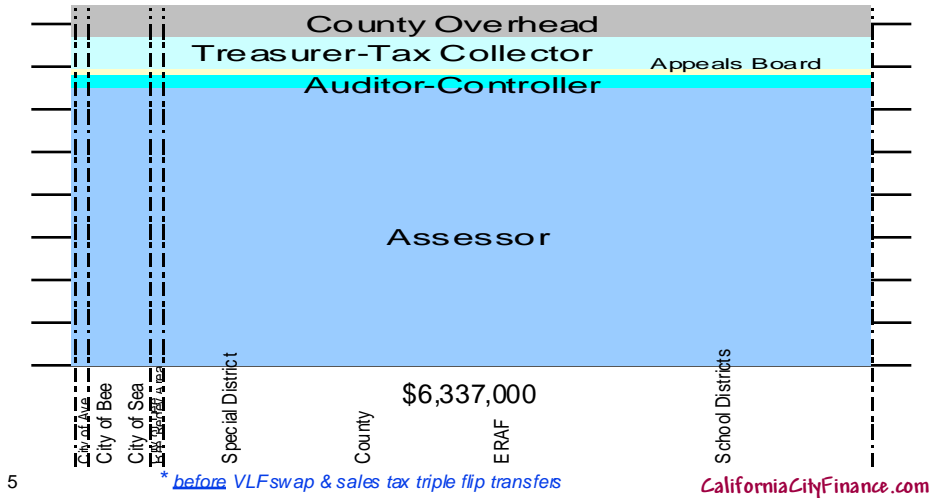
* [before VLF swap & sales tax triple flip transfers](#)

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Property Tax Admin Fee Calcs

an example ...

Property Tax Administration Fee Allocation *



Property Tax Admin Fee Calcs

an example ...

Prop Tax Allocations Including VLF Swap & Flip Transfers

	Basic AB8		SalesTax		Apportionment	
	Apportionment		VLF Swap	Triple Flip	plus Swap & Flip	
City of Aye	10,440,800	1.6%	+ 2,380,000	+ 9,520,000	22,340,800	3.4%
City of Bee	22,398,500	3.4%	+ 4,560,000	+ 18,240,000	45,198,500	6.8%
City of Sea	27,244,700	4.1%	+ 1,887,000	+ 7,548,000	36,679,700	5.5%
City of Dee	6,372,000	1.0%	+ 2,312,000	+ 9,248,000	17,932,000	2.7%
Bee Redevelopment Area	5,000,000	0.8%			5,000,000	0.8%
Special District	107,975,200	16.2%			107,975,200	16.2%
County	112,975,200	17.0%	+ 51,856,000	+ 10,693,000	175,524,200	26.4%
ERAF	118,282,350	17.8%	- 62,995,000	- 55,249,000	38,350	0.0%
School Districts	253,871,250	38.2%			253,871,250	38.2%
Total	664,560,000	100.0%			664,560,000	100.0%

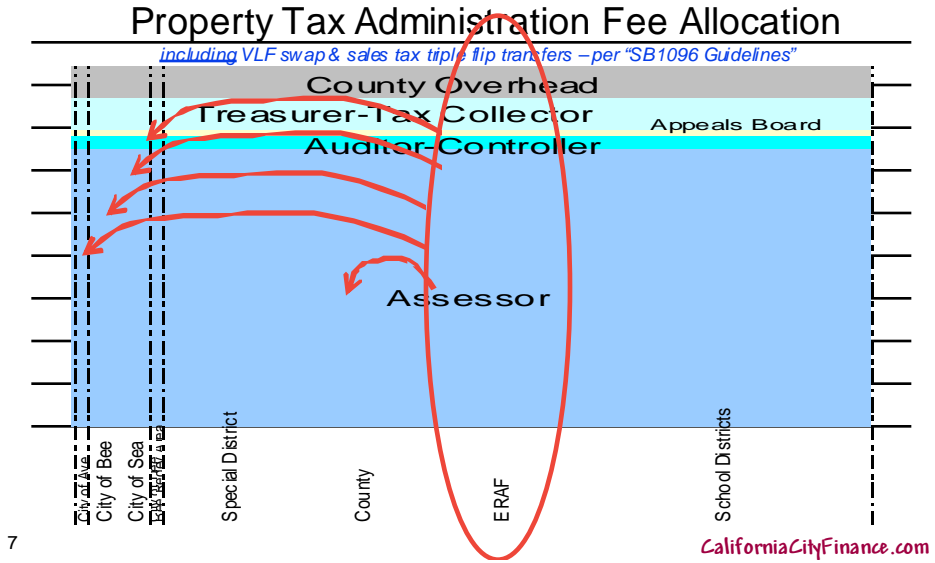


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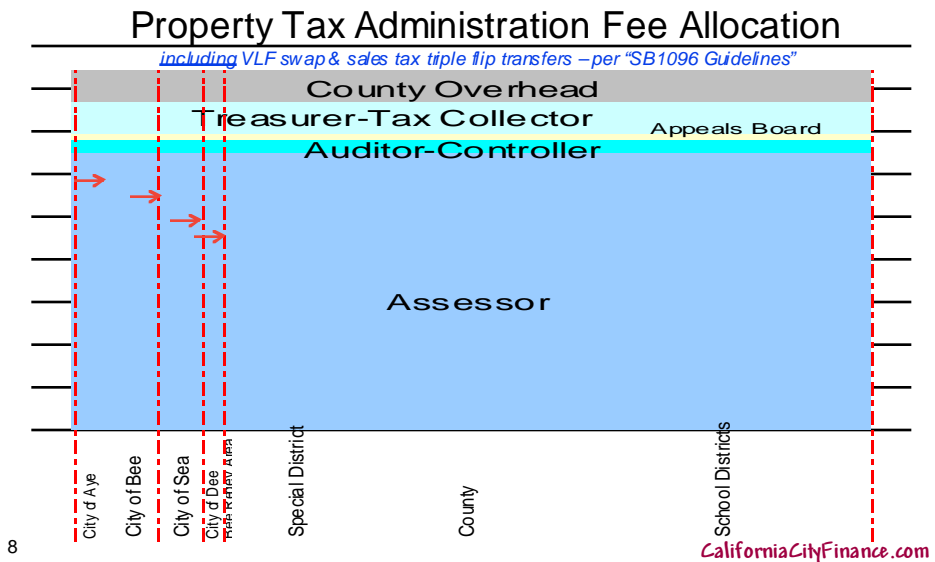
Property Tax Admin Fee Calcs

an example ...



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an example ...



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an example ...

	<u>PropTax AdminFee</u>		<u>PropTax AdmFee</u>		<u>Change</u>	
	<u>pre-Flip/Swap</u>		<u>Disputed Method</u>			
City of Aye	99,560	1.6%	213,034	3.4%	+ 113,474	114%
City of Bee	213,584	3.4%	430,996	6.8%	+ 217,412	102%
City of Sea	259,795	4.1%	349,764	5.5%	+ 89,969	35%
City of Dee	60,761	1.0%	170,993	2.7%	+ 110,232	181%
Bee Recdev Area	47,678	0.8%	47,678	0.8%		
Special District	1,029,612	16.2%	1,029,612	16.2%		
County	1,077,290	17.0%	1,673,734	26.4%	+ 596,444	55%
ERAF	1,127,897*	17.8%	366*	0.0%	- 1,127,531	-100%
School Districts	2,420,823*	38.2%	2,420,823*	38.2%		
Total	6,337,000	100.0%	6,337,000	100.0%		

* Allocated but not charged or paid

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Revenue & Taxation Code

Section 97.75

"Notwithstanding any other provision of law, for the 2004-05 and 2005-06 fiscal years, a county shall not impose a fee, charge, or other levy on a city, nor reduce a city's allocation of ad valorem property tax revenue, in reimbursement for the services performed by the county under Sections 97.68 (the sales tax triple flip) and 97.70 (the VLF swap).

For the 2006-07 fiscal year and each fiscal year thereafter, a county may impose a fee, charge, or other levy on a city for these services, but the fee, charge, or other levy shall not exceed the actual cost of providing these services."

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Triple Flip & VLF Swap

Effect on Property Tax Admin Costs & Fees

- The additional costs of Sales Tax Triple Flip and VLF Swap amount at most to a few more days of labor in each county auditor's office.

Current approach of County Auditors (*"SB1096 Guidelines"*):

- Property Tax in Lieu of Sales Tax and Property Tax in lieu of VLF amounts treated as **additional property tax share** to each agency and county's total property tax administration costs are reallocated.
- The approach has virtually nothing to do with the "actual cost of providing these services" ... but of the change in revenue allocation that results.



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