

ASSEMBLY BILL

No. 2650

Introduced by Assembly Member Butler

February 24, 2012

An act to amend Section 95.31 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2650, as introduced, Butler. Taxation: local government finance: property tax.

Existing property tax law authorizes an eligible county, as defined, upon the recommendation of the assessor and by resolution of its board of supervisors, to elect to participate in the State-County Property Tax Administration Loan Program, pursuant to which a participating county, in each fiscal year from the 1995-96 fiscal year to the 2001-02 fiscal year, inclusive, was eligible to receive a loan from the state, as specified, for the purposes of providing supplemental funding for that county's local administration of the ad valorem property tax.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 95.31 of the Revenue and Taxation Code
- 2 is amended to read:
- 3 95.31. (a) (1) Notwithstanding any other provision of law,
- 4 any eligible county may, upon the recommendation of the county

1 assessor, and by resolution of the board of supervisors of that
2 county adopted not later than December 1 of the fiscal year for
3 which it is to first apply, elect to participate in the State-County
4 Property Tax Administration Loan Program.

5 (2) Except as specified in paragraph (3), for the purposes of this
6 section, an eligible county shall mean a county in which additional
7 property tax revenue allocated to school entities would reduce the
8 amount of General Fund moneys apportioned to school entities.
9 However, eligibility shall be terminated when, in combination with
10 resources in the Educational Revenue Augmentation Fund,
11 additional property tax revenues allocated to school entities will
12 not result in a reduction in the General Fund apportionments.

13 (3) Notwithstanding paragraph (2), both the County of Solano
14 and the County of San Benito shall be deemed eligible counties
15 that may, upon the recommendation of the county assessor, and
16 by resolution of the board of supervisors of the county adopted on
17 or before March 31, 1996, elect to participate in the State-County
18 Property Tax Administration Loan Program.

19 (4) Notwithstanding paragraph (1), any county in which a new
20 assessor is elected in 1998 may, upon the recommendation of the
21 county assessor, and by resolution of the board of supervisors of
22 the county adopted on or before January 31, 1999, elect to
23 participate in the State-County Property Tax Administration Loan
24 Program commencing with the 1998–99 fiscal year.

25 (b) (1) In each fiscal year from the 1995–96 fiscal year to the
26 2001–02 fiscal year, inclusive, an eligible county participating in
27 the State-County Property Tax Administration Loan Program may
28 receive a loan for up to the amount listed in paragraph (3). The
29 loan shall be repaid by June 30 of the fiscal year following the
30 year in which the loan is made. However, at the discretion of the
31 Director of Finance, the loan may be renewed once for an
32 additional 12-month period at the request of the participating
33 county board of supervisors. For the Counties of Fresno, Orange,
34 San Benito, and Solano any loan agreement signed on or before
35 July 31, 1996, shall be deemed a loan agreement for the 1995–96
36 fiscal year for the purposes of this section. For any county in which
37 a new assessor is elected in 1998, any loan agreement signed on
38 or before January 31, 1999, shall be deemed a loan agreement for
39 the 1998–99 fiscal year for the purposes of this section.

1 (2) If an eligible county elects to participate in the State-County
 2 Property Tax Administration Loan Program, it shall enter into a
 3 contractual agreement with the Department of Finance. At a
 4 minimum, the contractual agreement shall include the following:
 5 (A) The loan amount, as determined by the Director of Finance.
 6 (B) Repayment provisions, including the interception of Motor
 7 Vehicle License Fee Account moneys apportioned pursuant to
 8 Section 11005 to repay the General Fund.
 9 (C) A listing of the proposed use of the additional resources
 10 including, but not limited to:
 11 (i) Proposed new positions.
 12 (ii) Increased automation costs.
 13 (D) An agreement to provide to the Department of Finance, by
 14 March 31 of the fiscal year in which the loan is made, a report
 15 projecting the impact of the increased funding in the current and
 16 subsequent fiscal year.
 17 (3) Upon request of the Department of Finance, the Controller
 18 shall provide a loan to the following counties for up to the amount
 19 specified by the Director of Finance, not to exceed the following
 20 amounts:

21	Jurisdiction	Amount
22	Alameda	\$ 2,152,429
23	Alpine	3,124
24	Amador	80,865
25	Butte	381,956
26	Calaveras	109,897
27	Colusa	53,957
28	Contra Costa	2,022,088
29	Del Norte	36,203
30	El Dorado	302,795
31	Fresno	1,165,249
32	Glenn	59,197
33	Humboldt	210,806
34	Imperial	231,673
35	Inyo	100,080
36	Kern	1,211,318
37	Kings	138,653
38	Lake	117,376
39	Lassen	54,699
40		

1	Los Angeles	13,451,670
2	Madera	212,991
3	Marin	790,490
4	Mariposa	46,476
5	Mendocino	160,435
6	Merced	298,004
7	Modoc	24,022
8	Mono	47,778
9	Monterey	795,819
10	Napa	366,020
11	Nevada	234,292
12	Orange	6,826,325
13	Placer	628,047
14	Plumas	80,606
15	Riverside	2,358,068
16	Sacramento	1,554,245
17	San Benito	90,408
18	San Bernardino	2,139,938
19	San Diego	5,413,943
20	San Francisco	1,013,332
21	San Joaquin	818,686
22	San Luis Obispo	736,288
23	San Mateo	2,220,001
24	Santa Barbara	926,817
25	Santa Clara	4,213,639
26	Santa Cruz	565,328
27	Shasta	342,399
28	Sierra	7,383
29	Siskiyou	91,164
30	Solano	469,207
31	Sonoma	1,035,049
32	Stanislaus	866,155
33	Sutter	147,436
34	Tehama	97,222
35	Trinity	24,913
36	Tulare	501,907
37	Tuolumne	126,067
38	Ventura	1,477,789
39	Yolo	278,309
40	Yuba	88,968

1 (4) The Department of Finance shall consider any or all of the
2 following items in determining the extent to which a county has
3 satisfied the terms and repaid the loan, pursuant to the contract, as
4 offered under this part:

5 (A) County performance as indicated by the State Board of
6 Equalization's sample survey required pursuant to Section 15640
7 of the Government Code.

8 (B) Performance measures adopted by the California Assessors'
9 Association.

10 (C) Reduction of backlog of assessment appeals and Proposition
11 8 declines in value.

12 (D) County compliance with mandatory audits required by
13 Section 469.

14 (E) Reduction of backlogs in new construction, changes in
15 ownership, and supplemental roll.

16 (F) Other measures, as determined by the Director of Finance.

17 (5) The Director of Finance shall notify the Controller of any
18 participating county that fails to comply with the terms of the
19 agreement, including the repayment of the loan. When the
20 Controller receives notice from the Director of Finance, the
21 Controller shall make an apportionment to the General Fund on
22 behalf of the participating county in the amount of that required
23 payment for the purpose of making that payment. The Controller
24 shall make that payment only from moneys credited to the Motor
25 Vehicle License Fee Account in the Transportation Tax Fund to
26 which the participating county is entitled at that time under Chapter
27 5 (commencing with Section 11001) of Part 5 of Division 2, and
28 shall thereupon reduce, by the amount of the payment, the
29 subsequent allocation or allocations to which the county would
30 otherwise be entitled under that chapter.

31 (c) (1) Funds appropriated for purposes of this section shall be
32 used to enhance the property tax administration system by
33 providing supplemental resources. Amounts provided to any county
34 as a loan pursuant to this section shall not be used to supplant the
35 current level of funding. In order to participate in the State-County
36 Property Tax Administration Loan Program, a participating county
37 shall maintain a base staffing, including contract staff, and total
38 funding level in the county assessor's office, independent of the
39 loan proceeds provided pursuant to this act, equal to the levels in
40 the 1994–95 fiscal year exclusive of amounts provided to the

1 assessor’s office pursuant to Item 9100-102-001 of the Budget Act
2 of 1994. However, in a county in which the 1994–95 funding level
3 for the assessor’s office was higher than the 1993–94 level, the
4 1993–94 fiscal year staffing and funding levels shall be considered
5 the base year for purposes of this section. Commencing with the
6 1996–97 fiscal year, if a county was otherwise eligible but was
7 unable to participate in this program in the 1995–96 fiscal year
8 because it did not meet the funding level and staffing requirements
9 of this paragraph, that county shall maintain a base staffing,
10 including contract staff, and total funding level in the county
11 assessor’s office equal to the levels in the 1995–96 fiscal year.

12 (2) Prior to the assessor’s recommendation for participation in
13 the State-County Property Tax Administration Loan Program, the
14 assessor shall consult with the county tax collector, and any other
15 county agency directly involved in property tax administration, to
16 discuss the needs of the program for the duration of the contractual
17 agreement.

18 (d) A participating county may establish a tracking system
19 whereby a work or function number is assigned to each appraisal
20 or administrative activity. That system should provide statistical
21 data on the number of production units performed by each
22 employee and the positive and negative change in assessed value
23 attributable to the activities performed by each employee.

24 (e) Notwithstanding Section 95.3, no amount of funds provided
25 to an eligible county pursuant to this section shall result in any
26 deduction from ~~those~~ property tax administrative costs that are
27 eligible for reimbursement pursuant to Section 95.3.

28 (f) At the request of the Department of Finance, the board shall
29 assist the Department of Finance in evaluating contracts entered
30 into pursuant to this section.