

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor Ashley

SUBMITTAL DATE: August 23, 2005

SUBJECT: ADOPTION OF RESOLUTION NO. 2005-419 TO SUPPORT THE RESTORATION OF FUNDING FOR THE PROPERTY TAX ADMINISTRATION GRANT PROGRAM IN THE STATE'S FY 2005-2006 BUDGET AND PREVENT FURTHER BURDENING OF COUNTY REVENUES

RECOMMENDED MOTION:

That the Board of Supervisors adopt Resolution No. 2005-419 supporting the restoration of funding for the Property Tax Administration Program (PTAP) Grant for FY 2005-2006 (attached), and direct the Executive Office and the Board's Sacramento representatives to further the Board's position.

BACKGROUND:

The Property Tax Administration Program (PTAP) Grant was eliminated unexpectedly in the July 7, 2005 California state budget compromise.

The Assessor-County Clerk-Recorder department in Riverside County is the keeper of a number of public records and the source of information for many people. The PTAP has enabled this department to reduce the backlog in and to keep current the assessment of property. Riverside County's annual allocation from PTAP is \$2.358 million, enough to potentially fund 32 positions. If the PTAP funds are not restored in the state budget, this will have a negative effect on the level of public service this office can provide. This would then negatively impact the revenues that come back to the county from property taxes.

The county currently supports the Assessor's Office with \$6.8 million of discretionary General Fund revenue or 37.6 percent of its \$18.1 million budget. The General Fund only receives 12.4 percent of the property tax revenue that it collects. Meanwhile the schools, including ERAF, receive 47.9 percent of the property tax revenue and pay nothing to support the property tax system.

If the county chooses to backfill the PTAP funding to maintain current service levels, it would boost the percentage of discretionary General Fund revenue used to support the Assessor's Office from \$6.8 million to \$9.2 million, a full 50.8 percent of this office's budget.

The PTAP has been a very successful program that has generated \$11 in new property tax revenue for every dollar invested by the state since its inception in 1995. PTAP is not a drain on the state's revenues; rather it generates significant revenue for both state and local governments.

The county has received over \$21.2 million in the last nine years through PTAP. This funding had helped to reduce backlogs and enroll value more efficiently and quickly. In turn, the increased assessments have generated almost \$297 million in property tax revenue.

The Board should adopt Resolution No. 2005-419 and urge local state legislators to support the restoration of this program to the FY 2005-2006 budget and oppose any measure that would further burden counties in the administration of property taxes.


MARION ASHLEY
5TH District Supervisor

Resolution No. 2005-419

2 Supporting the Restoration of the Property Tax Administration Program Grant
and Prevent Further Burdening of Counties

3 WHEREAS, since FY 1995-1996 the State of California (State) loaned
4 counties resources with which to eliminate backlog in and keep current
assessment of property under the Property Tax Administration Program
5 (Program) for the benefit of increasing revenues to the State that support
schools, forgiving the loan where certain performance criteria were met by
6 the counties; and

7 WHEREAS, the Program was so successful and generated such a substantial
return on investment for the State that in FY 2002-2003 the State converted
the Program from a loan to a grant program; and

8 WHEREAS, in each year of the Program the Riverside County Assessor's
Office exceeded its performance requirements; and

9 WHEREAS, each year even under the most difficult financial
circumstances, the County of Riverside met and/ or exceeded the Program's
10 match requirements; and

11 WHEREAS, the County's proportionate share of property tax revenues is
only 12 percent; and

12 WHEREAS, the State's proportionate share of property tax revenues for
the schools, inclusive of ERAF, is 48 percent; and

13 WHEREAS, the County of Riverside currently supports the County Assessor
with \$6.8 million in General Fund discretionary revenues, or 38 percent of
the Assessor's \$18 million budget; and

14 WHEREAS, the \$2.4 million Program grant from the State represented
only 13 percent of the Assessor's budget, and was the State's only support of
15 the County Assessor's Office; and

16 WHEREAS, this clearly demonstrates the County already bears a
disproportionate share of the cost of property tax administration and does,
in fact, subsidize the State; and

17 WHEREAS, in the FY 2005-2006 budget the Governor cut this Program from
the State budget, imposing a greater burden upon the counties to support a
18 property tax administration system that benefits the State more than the
counties;

19 **NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of the
County of Riverside, State of California, in regular session assembled on
20 August 23, 2005 to support the State's restoration of the Property Tax
Administration Program and oppose any measure further burdening counties to
21 support the State's share of the costs of property tax administration; and

22 **BE IT FURTHER RESOLVED** by the Board of Supervisors to support measures
that require the State to step up to its responsibilities and bear its fair
23 share of the costs of property tax administration, from which it greatly
benefits.