

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Auditor - Controller - Treasurer - Tax Collector	(2) MEETING DATE 2/24/2015	(3) CONTACT/PHONE Jim Erb, 788-2964 County Auditor-Controller, Treasurer, Tax Collector	
(4) SUBJECT Submittal of a resolution authorizing an alternative method of distribution of property tax levies and assessments for the City of Grover Beach. District 3.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the resolution authorizing an alternative procedure for the distribution of property tax levies and assessments for the City of Grover Beach.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 3			

# County of San Luis Obispo



TO: Board of Supervisors

FROM: Auditor - Controller - Treasurer - Tax Collector / Jim Erb, 788-2964  
County Auditor-Controller, Treasurer, Tax Collector

DATE: 2/24/2015

SUBJECT: Submittal of a resolution authorizing an alternative method of distribution of property tax levies and assessments for the City of Grover Beach. District 3.

## **RECOMMENDATION**

It is recommended that the Board approve the resolution authorizing an alternative procedure for the distribution of property tax levies and assessments for the City of Grover Beach.

## **DISCUSSION**

The City of Grover Beach has requested to participate in the San Luis Obispo County Alternative Procedure of Tax Apportionments, commonly known as the "Teeter Plan", effective fiscal year 2015/16 with the objective of stabilizing property taxes to support their upcoming bond issuances for road repairs. State Revenue and Taxation Code Section 4715 requires County Board approval for agencies to participate in the Teeter Plan.

On June 22, 1993 your Board formally opted into the Teeter Plan commencing with the 1993/94 fiscal year. Under the plan, the County advances local agencies their share of any delinquent secured taxes and direct charges at the end of each fiscal year. In exchange, the County retains any penalties and interest collected when the delinquent taxes and charges are paid. Major components of the plan are:

- Simplifies the property tax revenue estimation and allocation process for all agencies and the Auditor-Controller-Treasurer-Tax Collector;
- Stabilizes property tax revenues for agencies;
- Provides one-time increase in property tax revenues to agencies in the year adopted;
- Finances the purchase of delinquent tax receivables through a borrowing from the Treasurer's Pooled Fund;
- Provides additional revenues to the General Fund from the penalties and interest associated with the delinquent taxes once they are paid;
- Provides for the creation of Apportioned Taxes Resources fund to account for receipt of delinquent taxes and the Tax Loss Reserve fund for the collection of penalties and interest.

The City of Grover Beach is currently the only remaining local agency that did not choose to opt into the Teeter Plan in 1993. Once Grover Beach is included in the plan, 100% of all local agencies within the County of San Luis Obispo will be participating in the plan, which will streamline our current process by no longer requiring special handling for this sole non-Teeter agency.

## **OTHER AGENCY INVOLVEMENT/IMPACT**

County Council has reviewed the requirements for adopting new agencies into the Teeter Plan. A resolution to formally request participation in the Teeter Plan was approved by the Grover Beach City Council on February 17, 2015.

## **FINANCIAL CONSIDERATIONS**

A one-time advance will be made to the City of Grover Beach for their share of all the outstanding delinquent taxes as of June 30, 2015. Today's current balance of approximately \$60,000, less any payments received prior to June 30, 2015, will be paid in accordance with statute from the Apportioned Taxes Resources Fund (Teeter Financing Fund). These tax advances will be reimbursed to the Teeter Fund when collected from taxpayers along with any associated penalties and interest to be retained by the County.

## **RESULTS**

The result of this Board action will authorize the City of Grover Beach to participate in the alternative procedure for the distribution of property tax levies and assessments on the secured roll as allowed by statute. Approval of this resolution will further the County's goals of a "Well-Governed Community" by ensuring that the process of property tax distributions is performed as efficiently and timely as possible.

## **ATTACHMENTS**

1. Resolution authorizing the City of Grover Beach to Opt into the alternative procedure for the distribution of Property Taxes