

Board Inquiry Form

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Inquiry Number: 19

Department: Clerk-Recorder Assessor
 Date: 6/10/13
 Page(s) of Budget Book:

Request/Question: The Clerk-Recorder-Assessor (CRA) recently provided an increased estimate in the Property Tax Roll. Provide an estimate of the impact and advise of any further updates.

Response Prepared by: Tom Alvarez

Response:

In February, the Auditor-Controller's (AC's) office worked with the CRA and the CEO's office to develop the revenue projections for Property Taxes. At this time, a 2.2% growth in the gross Assessed Value (AV) was assumed.

On June 6, 2013, the CRA notified the CEO's office that they are still working on the tax roll but that he was currently estimating the Assessed Value to increase 3%. As stated above, a gross increase of 2.2% was used in our Budget Book projections, which netted down to 2% overall growth in Property Tax accounts (after the Fire Tax Transfer and other adjustments).

On June 10th, the AC's staff estimated that a 3% growth in the AV would result in an increase of about \$1 million to the General Fund and an increase of about \$225,000 to the Fire District.

On June 11, 2013, the CRA indicated to the CEO and AC that they are still completing the tax roll through next week but it is currently looking like the net secured AV will exceed 3.5% over the previous year. A new calculation has not yet been run by the AC staff but we are asking for an estimation to be provided this week assuming a 3.5% gross increase.

REVISED On June 13, 2013:

The Auditor-Controller has provided an estimation showing the incremental growth per 0.5% increase in the Secured Assessed Value. Every 0.5% increase in AV results in approximately:

- \$650K increase to County (after taxes shared with Fire & includes growth in VLF)
- \$145k increase in GF taxes shared with Fire
- \$170k increase to Fire's (2280) budgeted Current Year Secured

The Auditor-Controller stated that based on the revised estimates from the CRA, he would be comfortable with a 1% increase over the currently budgeted Property Tax Revenue figures. The CEO's office concurs with this revised estimate. This would result in increasing revenues as follows:

- \$1,300K increase to County (after taxes shared with Fire & includes growth in VLF)
- \$290k increase in GF taxes shared with Fire
- \$340k increase to Fire's (2280) budgeted Current Year Secured