

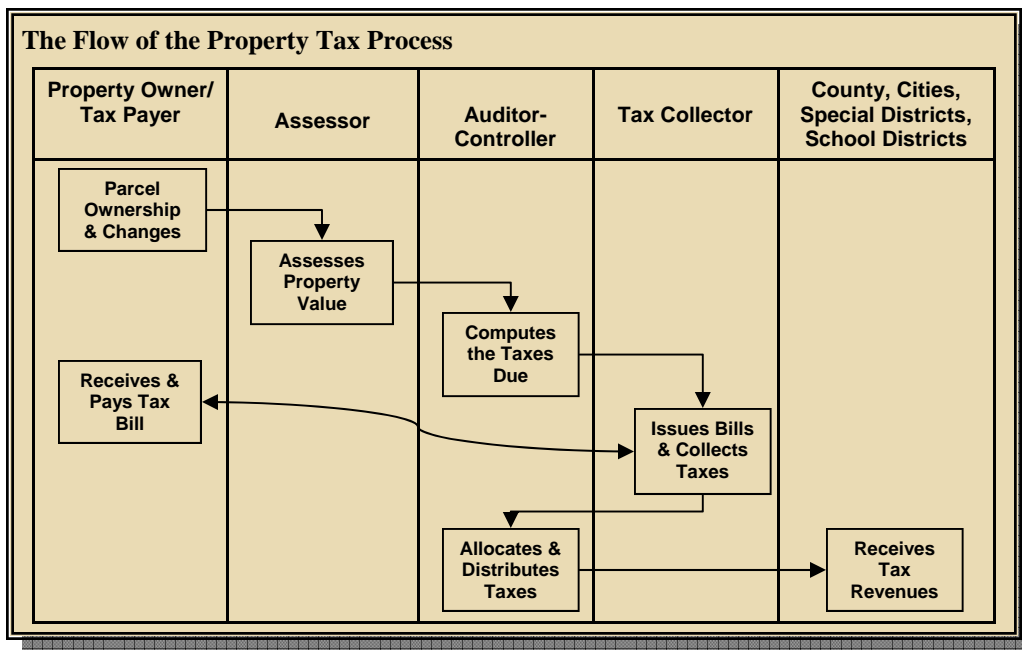


Property Tax Perspective

County of San Luis Obispo,
Fiscal Year July 1, 2012 to June 30, 2013

Property Tax Process

California schools, counties, cities and special districts depend on property tax as a primary source of revenue. Property tax raised \$413 million for local governments within the boundaries of San Luis Obispo County during fiscal year 2011-12 and is expected to generate \$419 million for fiscal year 2012-13 based on the current taxable value (see page 4). The information provided in this publication is a general overview of the property tax process in San Luis Obispo County. It includes a broad description of the functions of various county departments from the generation of property taxes through the distribution to local government agencies. Please visit our website located at www.slocounty.ca.gov/ac.htm to view or download copies of *Property Tax Perspective* and our other publications.



Proposition 13, approved by California voters in 1978, is the basis for the current property tax process. Proposition 13 limits the property tax rate to 1% of assessed value, plus any additional tax rate necessary to fund local voter-approved bonds and other indebtedness. It limits property tax increases to 2% per year, except for properties having a change of ownership or new construction. Property with a change in ownership is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel.

Since the passage of Proposition 13, the California legislature and the voters have continually altered, interpreted and implemented changes to the property tax laws resulting in local agency tax revenues being more and more limited. This has led to the advent of special assessments, fees and special taxes levied on parcels by local agencies for the benefit of the property owners within their district boundaries. These charges are set by each individual agency and are not based on value or subject to the tax rate, but do become a lien on the property along with the property tax.

Three Elected County Officials Provide Many of The Checks and Balances That Govern This Tax Process

Tom J. Bordonaro
County Assessor
(805) 781-5643

James P. Erb, CPA
Auditor-Controller
(805) 781-5040

Arthur F. Bacon
Acting Treasurer Tax-Collector
(805) 781-5830

www.slocounty.ca.gov/assessor.htm

www.slocounty.ca.gov/ac.htm

www.slocounty.ca.gov/tax.htm

Parcel Ownership and Taxpayers

Annually, owners of taxable property become liable for the property tax as based on the assessed value of the property. Taxable property is assessed (valued) each year as of January 1st (called the lien date) to generate tax revenue for the fiscal year that begins on the upcoming July 1st. The assessed value for most real property is the prior year's assessed value adjusted by the California Consumer Price Index, up to 2%. However, if there has been a change in ownership the new assessed value will be the market value of the property that changed ownership. New construction value is added to the property's prior base values.

The owners of property in San Luis Obispo County are responsible for the timely payments of taxes. Those who pay late are subject to penalties and costs which can be significant.

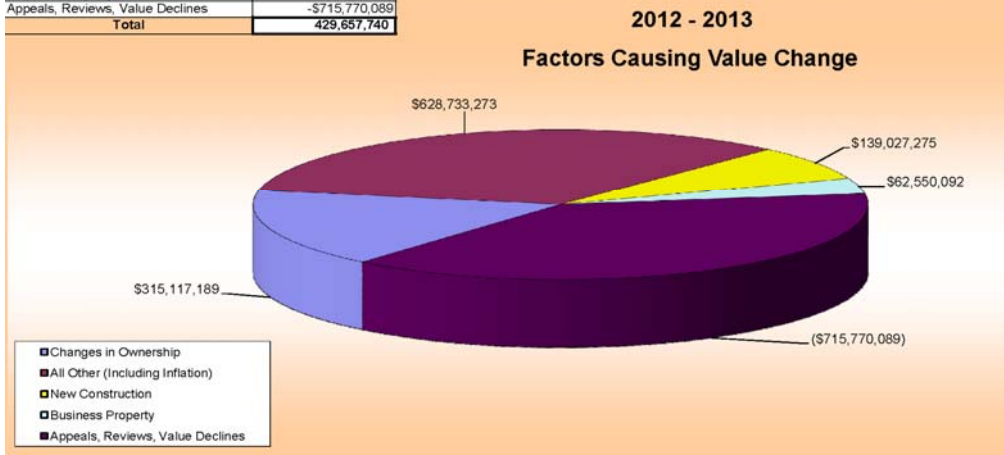
| Principal Taxpayers 2012-2013 (Secured, Utility, Unsecured & Aircraft) | | | |
|---|------------------|------------------------|---------------------------|
| Top 10 Taxpayers | Type of Property | Taxable Assessed Value | % of Total Assessed Value |
| Pacific Gas & Electric Co. | Utility | 2,641,186,010 | 6.32% |
| TOSCO Corp | Petroleum & Gas | 144,966,403 | 0.35% |
| Beringer Wine Estates Co | Winery | 89,873,436 | 0.22% |
| Plains Exploration & Production | Petroleum & Gas | 81,401,328 | 0.19% |
| CSHV Mustang Village LLC | Apartments | 76,799,857 | 0.18% |
| Pacific Bell Telephone Co | Telephone | 71,896,552 | 0.17% |
| Southern California Gas Co. | Utility | 63,866,206 | 0.15% |
| Martin Hotel Mgmt Co LLC | Hotel | 62,521,326 | 0.15% |
| Pasquini Charles Jr Tre Etal | Private | 55,665,095 | 0.13% |
| Sierra Vista Hospital Inc | Hospital | 55,004,045 | 0.13% |
| Total Top 10 Taxpayers | | \$3,343,180,258 | 7.99% |

The top ten taxpayers make up 7.99% of total taxable assessed valuation. This is an indicator that the county has a diversified tax base.

Under Proposition 13 similar properties can have substantially different assessed values based on their date of purchase.

The County has 136,978 secured parcels that include both residential (homes, condos and apartments) and non-residential (businesses, hotels, retail, etc.) property. Utilities and railroads are valued across multiple parcels. Business personal property (machinery and equipment) is taxable where it has established "permanent status"; while vessels (boats) are assessed where moored and aircraft are taxed at the location of the airport. Taxable personal property, business fixtures, aircraft, vessels and boats are classified as unsecured, of which there are about 30,837 such properties within the County.

| Factors | Added Value |
|----------------------------------|--------------------|
| Changes in Ownership | \$315,117,189 |
| All Other (Including Inflation) | \$628,733,273 |
| New Construction | \$139,027,275 |
| Business Property | \$62,550,092 |
| Appeals, Reviews, Value Declines | -\$715,770,089 |
| Total | 429,657,740 |



Increases due to the annual inflationary indexing, changes in ownership and new construction were sufficient this year to offset the reappraisals resulting from Proposition 8 reductions and other declines in value. The net increase in value this year totaled almost \$430 million which was a welcome change from last year's decline of \$702 million.

Assessor Values Property

The primary responsibility of the County Assessor is to discover, describe, value and assess all taxable property so that each owner is assured of paying the proper amount of property tax for the support of local governments and schools. The main categories of taxable property include real property, business personal property, vessels and aircraft. The Secured Tax roll is comprised of real property which is defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines. Business personal property (items such as machinery, equipment, office tools and supplies), vessels and aircraft are included on the Unsecured roll. It is important to note that there are several full or partial exclusions/exemptions (such as homeowner, disabled veterans and welfare exemptions) provided by the State Constitution and the legislature that reduce the burden of paying property taxes for certain taxpayers.

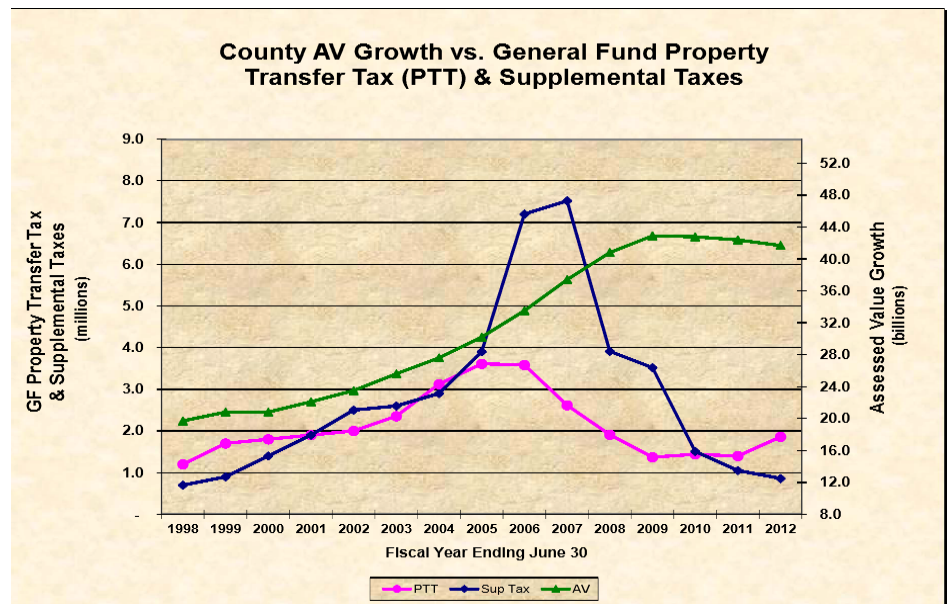
| Historical Assessed Value of Local & Utility Property in San Luis Obispo County (in billions) | | |
|---|-------------------------|---------------------|
| Fiscal Year | Assessed Valuation (\$) | Percentage Increase |
| 1984-85 | 8.0 | 14.3% |
| 1985-86 | 9.3 | 16.3% |
| 1986-87 | 10.7 | 15.1% |
| 1987-88 | 11.8 | 10.3% |
| 1988-89 | 13.1 | 11.0% |
| 1989-90 | 14.1 | 7.6% |
| 1990-91 | 15.6 | 10.6% |
| 1991-92 | 16.4 | 5.1% |
| 1992-93 | 17.1 | 4.3% |
| 1993-94 | 17.5 | 2.3% |
| 1994-95 | 17.9 | 2.3% |
| 1995-96 | 18.3 | 2.2% |
| 1996-97 | 18.6 | 1.6% |
| 1997-98 | 19.1 | 2.7% |
| 1998-99 | 19.7 | 3.1% |
| 1999-00 | 20.8 | 5.6% |
| 2000-01 | 22.1 | 6.3% |
| 2001-02 | 23.5 | 6.3% |
| 2002-03 | 25.6 | 8.9% |
| 2003-04 | 27.6 | 7.8% |
| 2004-05 | 30.2 | 9.4% |
| 2005-06 | 33.5 | 10.9% |
| 2006-07 | 37.4 | 11.6% |
| 2007-08 | 40.8 | 9.1% |
| 2008-09 | 42.9 | 5.2% |
| 2009-10 | 42.7 | -0.4% |
| 2010-11 | 42.4 | -0.9% |
| 2011-12 | 41.7 | -1.6% |
| 2012-13 | 42.1 | 1.0% |

Assessed value is determined and enrolled to a property owner as of January 1, which is the tax lien date. As an example, changes in ownership (sales) and new construction (determined from permits and on-site reviews) during the prior calendar year 2011 are valued as of January 1, 2012. The 2% (or less) inflation adjustment is applied to the assessed values along with exemptions and other appraisable events. The countywide adjusted gross value of \$42.1 billion as of January 1, 2012 is then taxed for the fiscal year July 1, 2012 to June 30, 2013.

Other significant processes include:

- The Supplemental roll places tax changes into effect on the date of transfer or a new construction completion date, rather than waiting for the next lien date, requiring the levying of additional tax for a portion of the current fiscal year.
- The Unitary roll contains properties, such as railroads and utilities, whose value is determined by the State Board of Equalization, not the County Assessor.
- The assessment appeals process allows a taxpayer to dispute values through administrative and judicial processes.
- A Proposition 8 reduction is a form of assessment relief that may be applied when a property's taxable value exceeds the current market value.

The leading indicators of assessed value (AV) growth are the property transfer tax followed by the supplemental property tax growth rates. With the recent increases in the property transfer taxes, the growth rates of supplemental and assessed values will also begin to increase over the next couple of years.



For more information on the assessment process visit the Assessor's Website at: www.slocounty.ca.gov/assessor.htm

Auditor-Controller Prepares Tax Roll

Once the assessed valuation is determined and enrolled by the Assessor, it is delivered to the Auditor-Controller on or before July 1st each year. The tax roll is then prepared by the Auditor-Controller by multiplying the value of each parcel by the 1% tax rate plus the amount necessary to make annual payments on bonds or other indebtedness approved by the voters to finance local facilities. The majority of outstanding bonds in the County are for school facilities.

| 5-Year Total Tax Levy | |
|-----------------------|-------------|
| Fiscal Year | Amount |
| 2008-09 | 452,550,523 |
| 2009-10 | 451,357,808 |
| 2010-11 | 447,373,098 |
| 2011-12 | 441,849,118 |
| 2012-13 | 447,610,414 |

In addition to the taxes noted above, numerous direct charges approved by voters or permitted by legislation, are added to the tax roll. Examples include charges for sewer, flood control and street lighting. The total calculated liability for each parcel is provided to the Tax Collector by September 30.

| 2012-13 Tax Bill Calculations | |
|-------------------------------|-------------------------|
| Secured Value | \$38,652,258,105 |
| Unsecured Value (w/Air) | 1,132,544,796 |
| Utility Value | 2,976,877,091 |
| Exemptions | (1,009,537,048) |
| Net Taxable Values | \$41,752,142,944 |
| 1% Basic Tax Rate | X 1% |
| Property Tax | \$417,521,429 |
| Bonds | 14,447,241 |
| Direct Charges | 15,641,743 |
| Total Tax Levy | 447,610,414 |

Until three decades ago, local agencies and school districts could ask local voters for an increase in property taxes to support their programs and pass such measures by a majority vote. Proposition 13 constrained this ability in 1978 by requiring a two-thirds majority vote of the electorate.

A 1986 voter-approved amendment to Proposition 13 (ACA 17) permitted agencies and districts to seek approval of local general obligation bonds to be repaid through property taxes. In the November 2000 election, voters approved Proposition 39 allowing the voting threshold for school general obligation bonds to be lowered to 55% if the school board so chooses.

As of 1984, agencies and districts with new residential and commercial development in their boundaries could, with two-thirds majority vote of the affected property owners, form a special "Mello-Roos Community Facilities District" to build new facilities in the area. Then in 1998, a new law permitted the formation of School Facility Improvement Districts with a two-thirds vote. This threshold was lowered (with some requirements) to 55% in July 2001.

Once approved, one or any combination of these types of voter approved debt may appear on your tax bill.

| San Luis Obispo County School District General Obligation Bonds | | | | |
|---|---------------------------|------------------|-----------------------------------|------------------|
| District/Election | Debt Authorized by Voters | Bonds Issued | | 2012-2013 |
| | | Amount of Issues | Principal Balance as of 6/30/2012 | Taxes per \$100K |
| Atascadero Unified | \$117,000,000 | \$25,500,000 | 25,500,000 | 45.19 |
| Cayucos Unified | 7,850,000 | 7,850,000 | 7,302,568 | 44.31 |
| Coast Unified | 16,300,000 | 16,300,000 | 14,466,446 | 40.74 |
| Lucia Mar Unified | 45,350,000 | 45,350,000 | 35,215,111 | 39.54 |
| Paso Robles Unified | 20,000,000 | 20,000,000 | 19,544,998 | 11.90 |
| San Miguel Elementary | 3,850,000 | 3,845,000 | 1,829,651 | 44.13 |
| Shandon Unified | 1,200,000 | 1,085,000 | 490,200 | 0.00 * |

*Sufficient cash in fund to pay O/S balance.

Treasurer-Tax Collector Issues Bills & Collects Taxes

The Tax Collector mails annual secured tax statements (bills) by November 1. The bill can be paid in two installments, the first due November 1 and delinquent after December 10 and the second due February 1 and delinquent after April 10. (Note that the payment due dates are well into the fiscal year of July to June). Supplemental tax may be billed at anytime throughout the year when there is a change in ownership or new construction is completed.

Penalties for late payments are significant at 10% for the first installment delinquency, 10% plus \$20 for the second installment delinquency and an additional 1.5% per month beginning the following July 1. After 5 years of taxes being delinquent, property can be sold at a tax sale to pay the tax. In San Luis Obispo County, delinquency rates have been some of the lowest in the state.

| Number of Bills Issued | | | | |
|------------------------|---------|-----------|--------------|---------|
| Fiscal Year | Secured | Unsecured | Supplemental | Total |
| 2008-2009 | 128,978 | 9,945 | 12,882 | 151,805 |
| 2009-2010 | 129,068 | 9,749 | 11,380 | 150,197 |
| 2010-2011 | 128,925 | 9,781 | 10,798 | 140,752 |
| 2011-2012 | 128,717 | 9,617 | 5,443 | 143,777 |
| 2012-2013 | 128,661 | 9,586 | 1,168 * | 139,415 |

* Partial Year (7/1/2012 through 10/5/2012)

| Delinquent Secured Tax Payment History As of June 30th of Fiscal Year Due | | |
|--|------------|-----------|
| Fiscal Year | Amount | Delq Rate |
| 2002-03 | 3,483,119 | 1.43% |
| 2003-04 | 3,587,273 | 1.35% |
| 2004-05 | 3,755,642 | 1.29% |
| 2005-06 | 5,332,457 | 1.64% |
| 2006-07 | 8,311,377 | 2.29% |
| 2007-08 | 13,836,097 | 3.50% |
| 2008-09 | 16,141,949 | 3.88% |
| 2009-10 | 13,746,301 | 3.33% |
| 2010-11 | 10,792,998 | 2.64% |
| 2011-12 | 7,233,779 | 1.79% |

| | | | | | |
|---|-------------------------|-----------------------|------------------------|---------------|----------------|
| 2012/13 | | FOR FISCAL YEAR | DATE BILLED | TAX-RATE AREA | ASSESSMENT NO. |
| SECURED TAX BILL | | 2012/13 | 10/22/2012 | 007-005 | 000,000,000 |
| FOR CITIES,COUNTY, SCHOOLS,OTHER TAXING AGENCIES IN SAN LUIS OBISPO COUNTY | | CORTAC # | BILL NUMBER | | |
| | | 2275 | 2012/13 000,000,000 00 | | |
| FRANK L. FREITAS | PROPERTY | CY ATAS TR2525-1 LT 6 | | | |
| | DESCRIPTION: | | | | |
| County Tax Collector Room D-290 County Government Center San Luis Obispo, CA 93408 | ASSESSED OWNER AS OF | 01/01/2012 | | | |
| | TAXPAYER, JACK AND JILL | | | | |
| PROPERTY VALUE ALLOCATION | ASSESSED VALUE | TAXING AGENCY | RATE/\$100 | AMOUNT | |
| LAND | 337,900 | PROP 13 1% TAX RATE | 1.00000 | 6,521.82 | |
| IMPROVEMENTS | 321,281 | STATE WATER PROJ | .00300 | 19.56 | |
| PERSONAL PROPERTY | | ATAS UNIFIED 2010 | .04419 | 288.18 | |
| FIXTURES / EQUIPMENT | | AV TAX SUBTOTAL | 1.04719 | 6,829.56 | |
| The total values listed above less the exemptions listed below equal the net property value. | | ATAS SEWER CHARGE | | 244.16 | |
| EXEMPTION | AMOUNT | ATAS MELLO-ROOS CFD | | 464.00 | |
| HOMEOWNERS | 7,000 | ATAS LANDSCAP LTNG 2 | | 389.76 | |
| | | ATAS STREET DRAIN 2 | | 173.00 | |
| The Tax Collector is not responsible for payments made on wrong assessments. Be sure this bill is for property on which you are obligated to pay taxes. | | | | | |
| SEE INSTRUCTIONS FOR IMPORTANT TAXPAYER INFORMATION | | | | | |
| Keep This Portion For Your Records | | | | | |

Here is an example of a secured property tax bill. The "AV Tax Subtotal" is the sum of all the AV amounts (those with a tax rate). These amounts are calculated by multiplying the tax rate by the Net Property Value. For example: The State Water Project tax amount of \$19.56 is .00300% times the Net Property Value of \$652,181. The total tax rate in each Tax Rate Area (007-005 for this bill) is the same for every parcel within that Tax Rate Area. The amounts below the "AV Tax Subtotal" are the direct charges unique to this parcel, which may vary or not be applicable to other parcels.

We accept as negotiable instruments only checks and money orders drawn in U.S. dollars on U.S. banks.

| | | | |
|---------------------------|--|--|-----------------|
| NET PROPERTY VALUE | FIRST INSTALLMENT | SECOND INSTALLMENT | TOTAL |
| 652,181 | 4,050.24 | 4,050.24 | 8,100.48 |
| | DUE DATE: 11/01/2012 DELINQUENT: 12/10/2012 | DUE DATE: 02/01/2013 DELINQUENT: 04/10/2013 | TAX DUE |

ADDITIONAL PENALTIES ADDED AFTER JUNE 30TH

Auditor-Controller Distributes Property Taxes

The Auditor-Controller is responsible for the apportionment and distribution of property taxes in accordance with specified formulas and procedures as explained on page 8. The information below shows the change in allocation from the prior to the current fiscal year and the corresponding percentage of growth. The growth trends of the various geographic regions of the county become apparent when comparing the wide variation in incremental growth percentage of the taxing agencies.

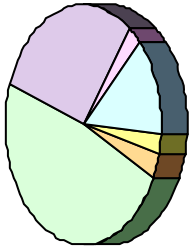
COUNTY OF SAN LUIS OBISPO SUMMARY OF INCREMENTAL GROWTH AND PROPERTY TAX ALLOCATION BY FUND For Secured and Unsecured Property Taxes (Including Homeowners Subventions, Excluding Unitary & Aircraft) FISCAL YEAR 2012/2013

| Fund | Agency Name | Prior Year Allocation Net of RDAs | Current Year Allocation Net of RDAs | Current Year Net Incremental Growth Amount | Current Year Net Incremental Growth % | MVLF Swap & Triple Flip (SB 1096) | Current Year Adjusted Allocation with VLF & SUT | Percent To Total Adjusted Allocation |
|--------------------------------------|-------------------------|-----------------------------------|-------------------------------------|--|---------------------------------------|-----------------------------------|---|--------------------------------------|
| COUNTY GENERAL FUND | | | | | | | | |
| 0001 | GENERAL FUND | 86,774,680 | 87,590,695 | 819,015 | 0.94% | 28,920,587 | 116,511,282 | 29.7767% |
| COUNTY BOS GOVERNED DISTRICTS | | | | | | | | |
| 0002 | ROADS | 1,118,418 | 1,134,134 | 15,716 | 1.41% | | 1,134,134 | 0.2889% |
| 0026 | COUNTY LIBRARY | 6,218,488 | 6,279,083 | 60,595 | 0.97% | | 6,279,083 | 1.6047% |
| 0643 | SLO CO FLOOD CONTROL | 939,686 | 948,466 | 8,781 | 0.93% | | 948,466 | 0.2424% |
| 0647 | NACMENTO WTR SRV | 1,021,897 | 1,031,405 | 9,509 | 0.93% | | 1,031,405 | 0.2636% |
| 0651 | FLOOD CONTROL ZONE 1 | 53,908 | 52,706 | (1,202) | -2.23% | | 52,706 | 0.0135% |
| 0652 | FLOOD CONTROL ZONE 1A | 12,449 | 11,386 | (1,063) | -8.54% | | 11,386 | 0.0029% |
| 0654 | FLOOD CONTROL ZONE 3 | 227,172 | 226,705 | (467) | -0.21% | | 226,705 | 0.0579% |
| 0662 | FLOOD CONTROL ZONE 9 | 412,804 | 418,556 | 5,751 | 1.39% | | 418,556 | 0.1070% |
| 0675 | CSA #10 ZONE A | 48,440 | 49,654 | 1,214 | 2.51% | | 49,654 | 0.0127% |
| 0687 | NIPOMO LIGHT | 30,406 | 30,168 | (238) | -0.78% | | 30,168 | 0.0077% |
| 0694 | CSA # 23(FORMER SM LGT) | 18,848 | 18,860 | 11 | 0.06% | | 18,860 | 0.0048% |
| 0723 | CSA #1 | 6,477 | 6,143 | (334) | -5.15% | | 6,143 | 0.0016% |
| 0724 | CSA #1 ZONE A | 26,683 | 25,160 | (1,523) | -5.71% | | 25,160 | 0.0064% |
| 0725 | CSA #1 ZONE B | 9,657 | 9,273 | (384) | -3.97% | | 9,273 | 0.0024% |
| 0726 | CSA #1 ZONE C | 6,244 | 6,495 | 251 | 4.02% | | 6,495 | 0.0017% |
| 0727 | CSA #1 ZONE D | 26,566 | 26,803 | 237 | 0.89% | | 26,803 | 0.0069% |
| 0741 | CSA #7 | 44,290 | 44,763 | 473 | 1.07% | | 44,763 | 0.0114% |
| 0742 | CSA #7 ZONE A | 185,188 | 189,225 | 4,037 | 2.18% | | 189,225 | 0.0484% |
| 0743 | CSA #7 ZONE B | 33,043 | 32,163 | (879) | -2.66% | | 32,163 | 0.0082% |
| 0755 | CSA #10 | 161,453 | 164,965 | 3,512 | 2.18% | | 164,965 | 0.0422% |
| 0761 | CSA #12 | 15,048 | 15,260 | 212 | 1.41% | | 15,260 | 0.0039% |
| 0773 | CSA #16 | 22,494 | 22,068 | (426) | -1.89% | | 22,068 | 0.0056% |
| TOTAL BOS GOVERNED DISTRICTS | | 10,639,658 | 10,743,442 | 103,784 | 0.98% | 0 | 10,743,442 | 2.7457% |
| INCORPORATED CITIES | | | | | | | | |
| 0227 | CITY OF ARROYO GRANDE | 3,568,181 | 3,571,208 | 3,027 | 0.08% | 1,970,538 | 5,541,745 | 1.4163% |
| 0229 | CITY OF ATASCADERO | 4,560,048 | 4,560,258 | 200 | 0.00% | 2,867,770 | 7,428,028 | 1.8984% |
| 0231 | CITY OF GROVER BEACH | 1,651,343 | 1,634,815 | (16,528) | -1.00% | 1,181,803 | 2,816,618 | 0.7198% |
| 0232 | CITY OF MORRO BAY | 2,240,017 | 2,226,088 | (13,929) | -0.62% | 1,165,262 | 3,391,350 | 0.8667% |
| 0233 | CITY OF PASO ROBLES | 4,612,517 | 4,617,698 | 5,180 | 0.11% | 4,170,313 | 8,788,010 | 2.2460% |
| 0234 | CITY OF PISMO BEACH | 2,999,224 | 2,998,401 | (822) | -0.03% | 1,260,885 | 4,259,286 | 1.0885% |
| 0235 | CITY OF SAN LUIS OBISPO | 8,570,573 | 8,639,219 | 68,647 | 0.80% | 6,783,549 | 15,422,768 | 3.9416% |
| TOTAL INCORPORATED CITIES | | 28,201,913 | 28,247,687 | 45,774 | 0.16% | 19,400,119 | 47,647,806 | 12.1773% |
| REDEVELOPMENT AGENCIES | | | | | | | | |
| 0236 | PASO ROBLES RDA | 4,176,313 | 4,294,655 | 118,342 | 2.83% | | 4,294,655 | 1.0976% |
| 0237 | FIVE CITIES RDA | 1,244,364 | 1,346,266 | 101,902 | 8.19% | | 1,346,266 | 0.3441% |
| 0238 | GROVER BEACH RDA | 1,049,253 | 974,371 | (74,882) | -7.14% | | 974,371 | 0.2490% |
| 0239 | ARROYO GRANDE RDA | 1,323,691 | 1,410,736 | 87,045 | 6.58% | | 1,410,736 | 0.3605% |
| 0251 | ATASCADERO RDA | 3,177,410 | 3,232,985 | 55,575 | 1.75% | | 3,232,985 | 0.8263% |
| 0252 | GBIE RDA | 221,478 | 193,956 | (27,522) | -12.43% | | 193,956 | 0.0496% |
| TOTAL REDEVELOPMENT AGENCIES | | 11,192,509 | 11,452,969 | 260,460 | 2.33% | 0 | 11,452,969 | 2.9270% |

The County's General Fund allocation is \$116.5 million

Secured, Unsecured Property Taxes and Homeowner Subventions are expected to generate \$391 million for fiscal year 2012-2013

Allocation of your property taxes



| | |
|-------------------------------|------------------|
| COUNTY GENERAL FUND | 29.7767% |
| COUNTY BOS GOVERNED DISTRICTS | 2.7467% |
| INCORPORATED CITIES | 12.1773% |
| REDEVELOPMENT AGENCIES | 2.9770% |
| INDEPENDENT SPECIAL DISTRICTS | 3.1455% |
| SCHOOL DISTRICTS | 49.2278% |
| TOTAL | 100.0000% |

The net effect of the MVLF swap & Triple Flip is a \$48 million decrease in taxes allocated to the ERAF fund. (see page 8 for explanation)

Local school districts receive an allocation of \$192.6 million

Included in the allocation figures provided are \$3.5 million of Homeowner Subventions received from the State. Not included are \$31.6 million of Unitary & Aircraft taxes which are required to be distributed under different allocation formulas.

| Fund | Agency Name | Prior Year Allocation Net of RDAs | Current Year Allocation Net of RDAs | Current Year Incremental Growth Amount | Current Year Incremental Growth % | MVLF Swap & Triple Flip (SB 1096) | Current Year Allocation Net of SB 1096 | Percent To Total Allocation |
|--|--------------------------|-----------------------------------|-------------------------------------|--|-----------------------------------|-----------------------------------|--|-----------------------------|
| INDEPENDENT SPECIAL DISTRICTS | | | | | | | | |
| 0007 | AIR POLLUTION CONTROL | 245,331 | 247,629 | 2,298 | 0.94% | | 247,629 | 0.0633% |
| 0166 | GARDEN FARMS | 24,976 | 25,160 | 183 | 0.73% | | 25,160 | 0.0064% |
| 0198 | SM VLY WTR - BOND | 36,456 | 40,028 | 3,572 | 9.80% | | 40,028 | 0.0102% |
| 0213 | CAMBRIA COMM HEALTH CARE | 403,031 | 408,108 | 5,077 | 1.26% | | 408,108 | 0.1043% |
| 0223 | CAYUCOS SANITARY | 578,135 | 591,620 | 13,485 | 2.33% | | 591,620 | 0.1512% |
| 0368 | CACHUMA RESOURCE | 5,236 | 5,674 | 438 | 8.36% | | 5,674 | 0.0015% |
| 0473 | PORT S L HARBOR | 2,225,833 | 2,240,135 | 14,302 | 0.64% | | 2,240,135 | 0.5725% |
| 0474 | CA VALLEY COM SER | 68,839 | 78,961 | 10,121 | 14.70% | | 78,961 | 0.0202% |
| 0475 | NIPOMO COMM SERVS | 477,649 | 472,514 | (5,135) | -1.08% | | 472,514 | 0.1208% |
| 0476 | CAMBRIA COMM SERV | 1,812,359 | 1,833,279 | 20,920 | 1.15% | | 1,833,279 | 0.4685% |
| 0477 | SS ACRES COMM SERV | 66,319 | 65,931 | (387) | -0.58% | | 65,931 | 0.0169% |
| 0478 | TMPLTN COMM SERV | 842,828 | 861,566 | 18,739 | 2.22% | | 861,566 | 0.2202% |
| 0480 | NIPOMO SWR MAINT | 13,574 | 13,734 | 160 | 1.18% | | 13,734 | 0.0035% |
| 0481 | NIPOMO DRAIN MAIN | 13,574 | 13,734 | 160 | 1.18% | | 13,734 | 0.0035% |
| 0483 | LINE COMM SERV | 17,801 | 17,999 | 198 | 1.11% | | 17,999 | 0.0046% |
| 0528 | GC STR LIGHT # 1 | 427,874 | 423,443 | (4,431) | -1.04% | | 423,443 | 0.1082% |
| 0693 | SAN MIGUEL LIGHT | 69,305 | 66,675 | (2,630) | -3.80% | | 66,675 | 0.0170% |
| 0747 | LOS OSOS CSD-ZONE A | 179,177 | 176,430 | (2,747) | -1.53% | | 176,430 | 0.0451% |
| 0748 | LOS OSOS CSD-ZONE B | 1,556,044 | 1,535,278 | (20,766) | -1.33% | | 1,535,278 | 0.3924% |
| 0750 | LOS OSOS CSD-ZONE D | 17,413 | 17,373 | (41) | -0.23% | | 17,373 | 0.0044% |
| 0752 | LOS OSOS CSD-ZONE F | 6,632 | 6,769 | 137 | 2.07% | | 6,769 | 0.0017% |
| 0781 | HERITAGE CSD | 224,591 | 226,592 | 2,001 | 0.89% | | 226,592 | 0.0579% |
| 0803 | SAN MIGUEL SANITARY | 39,636 | 38,111 | (1,525) | -3.85% | | 38,111 | 0.0097% |
| 0811 | OCEANO COMM SERV | 764,080 | 751,733 | (12,327) | -1.61% | | 751,733 | 0.1921% |
| 0825 | CAYUCOS FIRE | 206,712 | 211,684 | 4,972 | 2.41% | | 211,684 | 0.0541% |
| 0831 | SANTA MARGARITA FIRE | 81,444 | 81,543 | 99 | 0.12% | | 81,543 | 0.0208% |
| 0837 | ARROYO GR CEMETERY | 95,972 | 95,972 | (1) | 0.00% | | 95,972 | 0.0245% |
| 0843 | ATAS CEMETERY | 263,362 | 263,993 | 631 | 0.24% | | 263,993 | 0.0675% |
| 0844 | CAMBRIA CEMETERY | 81,874 | 82,874 | 1,003 | 1.23% | | 82,874 | 0.0212% |
| 0845 | CAYUCOS-MB CEMETERY | 277,762 | 279,102 | 1,340 | 0.48% | | 279,102 | 0.0713% |
| 0847 | PASO ROBLES CEMETERY | 342,907 | 344,004 | 1,097 | 0.32% | | 344,004 | 0.0879% |
| 0851 | SAN MIGUEL CEMETERY | 63,526 | 63,897 | 370 | 0.58% | | 63,897 | 0.0163% |
| 0852 | SANTA MARGARITA CEMETERY | 29,242 | 29,503 | 261 | 0.89% | | 29,503 | 0.0075% |
| 0853 | SHANDON CEMETERY | 12,527 | 12,678 | 151 | 1.20% | | 12,678 | 0.0032% |
| 0854 | TEMPLETON CEMETERY | 89,549 | 91,325 | 1,776 | 1.98% | | 91,325 | 0.0233% |
| 0895 | AVILA BEACH CSD | 189,183 | 195,759 | 6,576 | 3.48% | | 195,759 | 0.0500% |
| 0896 | AVILA CO WTR ID #1 | 183,365 | 190,281 | 6,916 | 3.77% | | 190,281 | 0.0486% |
| TOTAL INDEPENDENT SPECIAL DISTRICTS | | 12,247,014 | 12,307,727 | 60,713 | 0.50% | 0 | 12,307,727 | 3.1455% |
| SCHOOL DISTRICTS | | | | | | | | |
| 1205 | CAYUCOS ELEM | 1,872,317 | 1,916,114 | 43,796 | 2.34% | | 1,916,114 | 0.4897% |
| 1211 | CUYAMA JT UNIFIED | 205,471 | 217,945 | 12,473 | 6.07% | | 217,945 | 0.0557% |
| 1217 | PLEASANT VALLEY ELEM | 359,827 | 372,619 | 12,792 | 3.56% | | 372,619 | 0.0952% |
| 1221 | SAN MIGUEL ELEM | 1,670,104 | 1,680,248 | 10,144 | 0.61% | | 1,680,248 | 0.4294% |
| 1223 | COAST UNIFIED | 7,594,875 | 7,703,974 | 109,099 | 1.44% | | 7,703,974 | 1.9689% |
| 1225 | PASO UNIFIED | 25,725,969 | 26,079,225 | 353,256 | 1.37% | | 26,079,225 | 6.6651% |
| 1227 | SANTA MARIA HIGH | 1,008 | 1,017 | 9 | 0.89% | | 1,017 | 0.0003% |
| 1228 | S MARIABONITA UNION | 1,280 | 1,252 | (28) | -2.17% | | 1,252 | 0.0003% |
| 1231 | TEMPLETON UNIFIED | 7,430,707 | 7,576,729 | 146,022 | 1.97% | | 7,576,729 | 1.9364% |
| 1234 | S L COASTAL UNIFIED | 47,231,869 | 47,511,716 | 279,847 | 0.59% | | 47,511,716 | 12.1425% |
| 1253 | LUCIA MAR UNIFIED | 41,144,802 | 41,340,040 | 195,238 | 0.47% | | 41,340,040 | 10.5652% |
| 1273 | ATASCADERO UNIFIED | 16,103,007 | 16,347,779 | 244,772 | 1.52% | | 16,347,779 | 4.1780% |
| 1293 | SHANDON UNIFIED | 971,897 | 977,973 | 6,076 | 0.63% | | 977,973 | 0.2499% |
| 1303 | SLO CO COMM COLLEGE | 26,049,260 | 26,291,721 | 242,461 | 0.93% | | 26,291,721 | 6.7194% |
| 1308 | CO SCHOOL SERVICE | 15,444,868 | 15,589,281 | 144,413 | 0.94% | | 15,589,281 | 3.9841% |
| 1309 | A HANCOCK COMM COLLEGE | 26,334 | 27,938 | 1,604 | 6.09% | | 27,938 | 0.0071% |
| 0115 | ERAF | 46,941,657 | 47,305,079 | 363,422 | 0.77% | (48,320,706) | (1,015,627) | -0.2589% |
| TOTAL SCHOOL DISTRICTS | | 238,775,252 | 240,940,651 | 2,165,398 | 0.91% | (48,320,706) | 192,619,945 | 49.2278% |
| COUNTYWISE TOTALS | | \$387,828,027 | \$391,283,172 | \$3,455,145 | 0.89% | \$0 | \$391,283,172 | 100.0000% |

Auditor-Controller Distributes Property Taxes

After collecting the property taxes, the Tax Collector forwards them to the Auditor-Controller for apportionment and distribution to all eligible jurisdictions within the County. The law requires the County Auditor-Controller to allocate the revenue in accordance with specified formulas and procedures.

AB8 (Assembly Bill 8 of 1979-80), with many subsequent amendments, governs the complicated tax allocation process. Each taxing jurisdiction (entity) was assigned a base amount of property tax determined by 1978-79 revenue. Each year the entity is then allocated an amount equal to the total received in the previous year plus a percentage of tax growth within the geographic tax area served by the entity. The law also provides for transfers of property tax revenue when boundary changes or transfer of service responsibilities occur and are referred to as jurisdictional changes.

Adding to the complex tax allocation process, legislation (SB1096) was enacted in fiscal year 2004-05 that permanently swaps Motor Vehicle License Fee revenue for Property Taxes (the "MVLFF Swap") and temporarily exchanges Sales Tax Revenues ("Triple Flip") for Property Taxes of the cities and county only. The *Triple Flip* expires when the State Deficit Bonds are retired in approximately 3-10 years. The legislation specifies that the property tax revenues necessary for the *MVLFF Swap* and *Triple Flip* are to be taken from the County Education Revenue Augmentation Fund (ERAF). For fiscal year 2012-13 the total *MVLFF Swap* was \$38.3 million and the *Triple Flip* was \$11.3 million of additional property taxes for cities and the county and a corresponding decrease of \$49.6 million in property tax revenue allocated to the County ERAF for schools.

For fiscal year 2012-13, overall County property tax growth has begun to increase again after three years of decline. Countywide locally assessed property taxes increased by \$3.4 million, representing a .89% growth from the prior fiscal year. Provided on the previous two pages is a summary of the change in percentages and taxes for the various local agencies that receive property tax revenue. As you will note, there are large fluctuations in growth percentages among agencies due to growth in the various geographic regions within the county.

County Financing Sources

State and Federal Revenue

State and federal revenue, at \$208 million, represents about 46.1% of the County's financing and is the single largest revenue source. For the most part, these funds are restricted as to use for the support of statutory programs and are not available for discretionary purposes.

Taxes

Property tax, sales tax, transient occupancy and other taxes generate \$148.8 million or 33% of the County's financing, with property tax being the single largest source of discretionary revenue available to the County.

Other Revenues

The remaining 20.9% of the County's revenues are comprised of various funding sources. Licenses, permits, fines and penalties make up about 2.9%, while revenues derived from billing of various County departments charging for their services represent another 6.3%, with the 11.7% balance being generated by interest earnings and miscellaneous court fines and penalties.

| Summary of Estimated Revenue, Other Financing Sources and Transfers | | | |
|---|---------------------------|---------------------------|---------------------------|
| Fiscal Year ended 2009-2010 | | | |
| Sources | Actual 2010-11 | Actual 2011-12 | Proposed 2012-13 |
| Current Secured Property Tax | 97,901,229 | 96,673,903 | 97,103,879 |
| Current Unsecured Property Tax | 2,437,716 | 2,350,396 | 2,422,365 |
| Supplemental Property Tax | 1,135,570 | 1,064,859 | 800,166 |
| Other Tax | <u>44,118,953</u> | <u>45,163,518</u> | <u>48,492,989</u> |
| Total Taxes | 145,593,468 | 145,252,676 | 148,819,399 |
| Licenses/Permits, Fines/Penalties | 12,591,688 | 13,209,864 | 13,157,075 |
| Interest in Rental Revenues | 1,038,257 | 845,522 | 830,650 |
| State & Federal Revenues | 194,778,979 | 192,975,877 | 208,120,926 |
| Charges for Service | 39,077,099 | 34,090,725 | 28,358,945 |
| Other Revenue & Financing Sources | <u>68,345,374</u> | <u>47,210,913</u> | <u>51,750,016</u> |
| Total Sources | <u>461,424,865</u> | <u>433,585,577</u> | <u>451,037,011</u> |

