

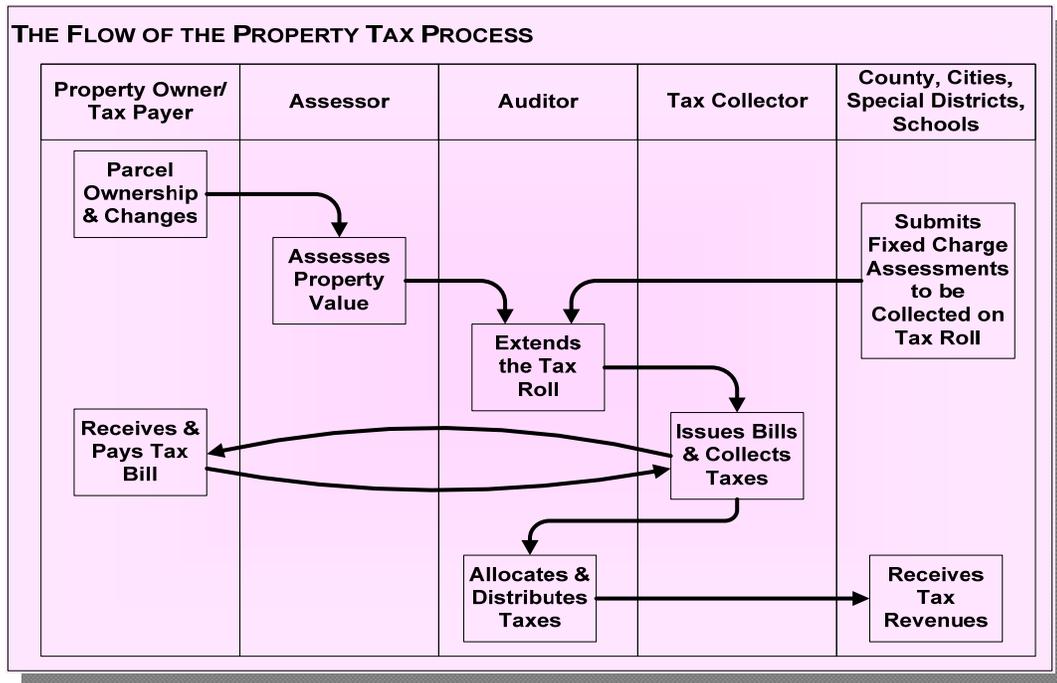


Property Tax Highlights

County of Santa Barbara
Fiscal Year July 1, 2010 to June 30, 2011

PROPERTY TAX PROCESS

Today California schools, counties, cities and special districts depend on property taxes as a primary source of discretionary revenue. Property taxes raised \$614 million for local governments within the boundaries of Santa Barbara County during fiscal year 2009-10 and is expected to generate \$616 million for fiscal year 2010-11. The *Property Tax Highlights* is intended to provide an overview of the property tax process in Santa Barbara County. It includes highlights of current results and a broad description of how property taxes are generated from the taxpayers and distributed to local government agencies. Please visit our website located at www.co.santa-barbara.ca.us/auditor to view or download copies of The *Property Tax Highlights* and our other publications.



The Proposition 13 property tax initiative approved overwhelmingly by California voters in 1978 is the basis for the current tax process. Proposition 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds. It limits property tax increases to a maximum of 2% per year on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property 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 in the property tax laws. We hope this publication helps to explain some of the complexities of Proposition 13 and subsequent statutes that govern the property tax process. We welcome your comments and questions which can be emailed to us at auditorpropertytax@co.santa-barbara.ca.us.

THREE ELECTED COUNTY OFFICIALS PROVIDE MANY OF THE CHECKS AND BALANCES THAT GOVERN THIS TAX PROCESS

Joseph E. Holland, CPFO
County Clerk, Recorder and Assessor
(805) 568-2550
<http://sbcassessor.com>

Robert W. Geis CPA, CPFO
Auditor-Controller
(805) 568-2181
www.co.santa-barbara.ca.us/auditor

Harry E. Hagen, CPA, CPFO
Treasurer Tax-Collector
(805) 568-2920
<http://sbtaxes.org>

PARCEL OWNERSHIP AND TAXPAYERS

Annually, taxable property is assessed (valued) as of January 1st (the lien date) to generate tax revenue for the fiscal year that begins the following July 1st. The assessed value for most property is the prior year's assessed value adjusted for inflation 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. Additionally, any new construction value is also added to the property's prior base values.

The owners of property in Santa Barbara County are responsible for the timely payments of taxes. Those who pay late are subject to penalties which can be significant.

On the lien date taxes are levied and become a lien on both real and personal property. The term "secured" refers to taxes that are assessed against real property (e.g., land or structures). The tax bill creates a lien that is "secured" by the land/structure even though no document is officially recorded. This means that if the tax remains unpaid after a period of five (5) years, the property may be sold to cover the taxes owed. The term "unsecured" refers to property that can be relocated and is not real estate, such as business equipment, equipment, fixtures, boats, or airplanes. If the unsecured tax is not paid, a lien is filed against the owner, not the property.

Principal Taxpayers 2010-11 (Secured, Unitary and Unsecured)			% of Total Assessed Value
	Type of Property	Assessed Value	
Exxon Corporation	Petroleum & Gas	\$ 329,264,974	0.53%
Breitburn Energy Holdings, LLC	Petroleum & Gas	265,231,133	0.43%
United Launch Alliance, LLC	Aerospace	212,971,554	0.35%
Southern California Gas Company	Utility	176,685,053	0.29%
Fairway BB Property, LLC	Residential Estate	149,385,839	0.24%
Southern California Edison Co.	Utility	142,150,074	0.23%
Verizon California, Inc.	Utility	139,584,885	0.23%
1260 BB Property, LLC (Biltmore)	Hotel	135,000,000	0.22%
HT-Santa Barbara, Inc. (Bacara)	Hotel	118,000,000	0.19%
Pacific Gas & Electric Co.	Utility	117,234,089	0.19%
Total Top 10 Principal Taxpayers		\$ 1,785,507,601	2.90%

The top ten taxpayers make up only 2.90% of total valuation. This is an indicator that the County has a diversified tax base.

The County has 128,394 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 general aircraft are taxed at the location of the airport. Fleets of commercial and fractionally-owned aircraft using Santa Barbara airports are taxed based on their flight activity in California. There are about 15,000 business properties within the County.

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

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 government. 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 numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain qualified taxpayers from the burden of paying property taxes.

Assessed value is determined and enrolled to the owner as of January 1st, which is the tax lien date. As an example, change in ownership (sales) and new construction (captured from permits and on-site reviews) during the prior calendar year 2009 are valued and enrolled as of January 1, 2010.

The inflation adjustment (the lower of 2% or CPI) is applied along with exemptions and other appraisable events. The value of \$61.9 billion as of January 1, 2010 is then taxed for the fiscal year July 1, 2010 to June 30, 2011.

Other significant processes include:

- ◆ A Supplemental roll places tax changes into immediate effect on the date of transfer or the new construction completion date rather than waiting for the next lien date; resulting in the capture of tax for a portion of the current fiscal year.
- ◆ A Unitary roll contains properties such as railroads and utilities crossing the county and is valued by the State Board of Equalization.
- ◆ An assessment appeals process allows taxpayer to dispute values through administrative and judicial processes.

Taxpayers can also benefit from these other valuable property tax programs:

- Homeowners Exemption
- Reappraisal Exclusion for Citizens 55 and Over or Disabled (Prop 60)
- Parent/Child Exclusion (Prop 58)
- Grandparent/Grandchild Exclusion (Prop 193)
- Disaster Relief
- Veterans Exemption
- Disabled Veterans Exemption
- Property Tax Postponement Program for Senior Citizens, Blind and/or Disabled — Suspended by the State in 2009

**For more information on the assessment process
visit the Clerk-Recorder-Assessor's Website at:**

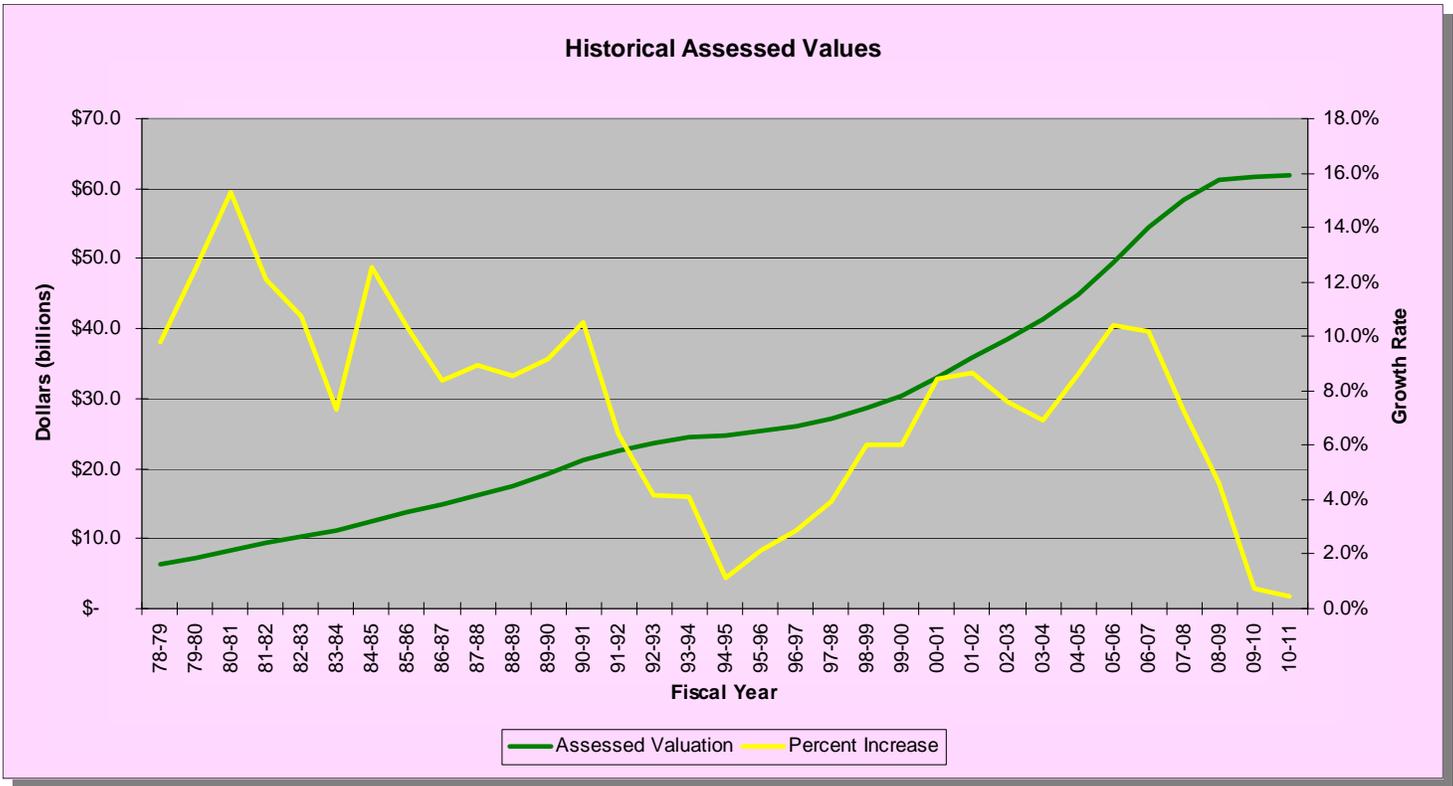
<http://sbcassessor.com>

Historical Assessed Value of Property in the County (in billions)

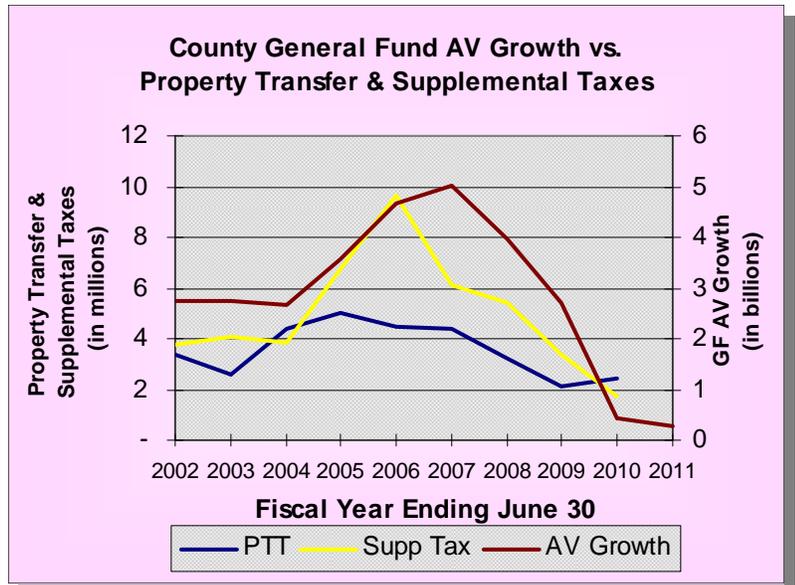
Fiscal Year	Assessed Valuation	Percent Increase
78-79	\$ 6.4	9.8%
79-80	7.2	12.5%
80-81	8.3	15.3%
81-82	9.3	12.1%
82-83	10.3	10.7%
83-84	11.1	7.3%
84-85	12.4	12.5%
85-86	13.7	10.4%
86-87	14.9	8.4%
87-88	16.2	9.0%
88-89	17.6	8.5%
89-90	19.2	9.2%
90-91	21.2	10.5%
91-92	22.6	6.4%
92-93	23.5	4.1%
93-94	24.5	4.1%
94-95	24.8	1.2%
95-96	25.3	2.1%
96-97	26.0	2.8%
97-98	27.1	3.9%
98-99	28.7	6.0%
99-00	30.4	6.0%
00-01	33.0	8.4%
01-02	35.9	8.7%
02-03	38.6	7.6%
03-04	41.3	6.9%
04-05	44.8	8.6%
05-06	49.5	10.4%
06-07	54.5	10.2%
07-08	58.5	7.2%
08-09	61.2	4.6%
09-10	61.6	0.7%
10-11	61.9	0.5%

ASSESSOR VALUES PROPERTY

Over the past 33 years the countywide assessed values have continued to steadily grow as seen by the green line in the graph below. Since Proposition 13, the total county assessed valuation has increased almost ten-fold from \$6.4 billion to \$61.9 billion. The growth rates on an annual basis as shown by the yellow line are much more volatile reflecting the local real estate economy.



The leading indicators of property tax growth are property transfer tax and supplemental property tax growth. After record highs just a few years ago these indicators began trending downward. Consistent with these leading indicators property tax growth was sharply curtailed and narrowly avoided negative growth for 2010-11. Looking forward it is anticipated that property tax growth will be relatively flat for 2011-12.



ASSESSOR VALUES PROPERTY

Proposition 8, passed in November 1978, amended Proposition 13 to recognize declines in value for property tax purposes. As a result, Revenue & Taxation Code Section 51 requires the Assessor to annually enroll either a property's Proposition 13 base year value factored for inflation, or its market value as of January 1st, whichever is less.

Decline in market value, Section 51 assessments, are TEMPORARY reductions that recognize the fact that the current market value as of the January 1st lien date of a property has fallen below its current Proposition 13 factored value.

Once a Section 51 reduced value has been enrolled, that property's value must be reviewed each year as of January 1, to determine whether its current market value is less than its Proposition 13 factored value. Section 51 values can change from year-to-year as the market fluctuates. When the market value of the Section 51 property increases above its Proposition 13 factored value, the Assessor will once again enroll its Proposition 13 factored value. In no case may a value higher than a property's Proposition 13 factored value be enrolled. Properties enrolled under Section 51 provisions are not subject to the 2% annual increase limitation that applies to those enrolled under Proposition 13 provisions.

In 2010-11 the Assessor reviewed approximately 25,000 parcels and enrolled over 20,000 with Section 51 temporary reductions. The majority of parcels with this temporary reduction are located in the North County, however the amount of value reduction is greater for the South Coast. This year the overall amount of value reductions is about half of last year.

Section 51 Temporary AV Reductions

	No of Parcels	AV Reduction for 2010-11
North County	13,835	(298,284,020)
South Coast	6,474	(460,851,962)
Total Sect 51 Reductions	20,309	(759,135,982)

The decrease to Assessed Value due to parcels enrolled with Temporary Value Reductions (Section 51) has declined from about \$1.7 Billion in 2009-10 to \$759 Million in 2010-11

As shown in the table below roll growth can be classified into major categories as allowed by Proposition 13 and related legislation. For 2010-11, the largest change category continues to be Section 51 Temporary Declines which reduced the roll by \$759 million dollars reflecting those properties whose market values was less than their factored base. The Non-Proposition 13 Value Adjustments are for properties not subject to Proposition 13 valuation rules such as agriculture preserve and mineral/oil properties.

Local Secured Roll Growth By Category

	Value	Growth Pct
2009-10 Net Local Secured Roll Values	57,717,796,809	
Proposition 13 Inflation Adjustment	(95,101,780)	-0.2%
Property Ownership Changes	552,700,952	1.0%
New Construction	273,336,392	0.5%
Non-Proposition 13 Value Change	292,039,323	0.5%
Other	(15,221,745)	0.0%
Disaster Reassessments	(10,956,025)	0.0%
Section 51 Temporary Declines	(759,135,982)	-1.3%
2010-11 Net Local Secured Roll Values	57,955,457,943	0.4%

For the first time since Proposition 13 passed in 1978, the Inflation Adjustment was negative reducing the roll by nearly \$100 Million

AUDITOR-CONTROLLER DISTRIBUTES PROPERTY TAXES

After collection the Tax Collector forwards the taxes to the Auditor for apportionment and distribution to all eligible jurisdictions in the County. The law requires the County Auditor to allocate the revenue in accordance with specified formulas and procedures as explained on page 10.

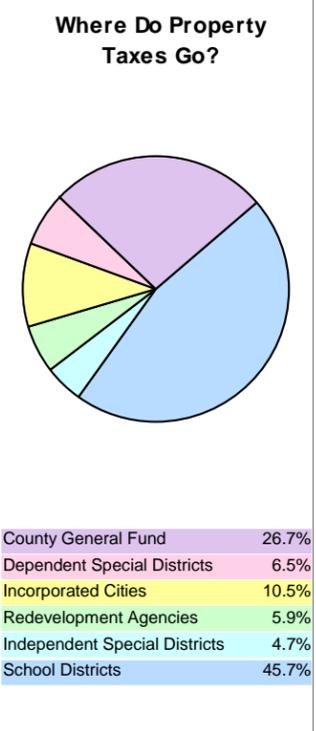
County of Santa Barbara Summary of Fiscal Year 2010-11 Incremental Growth and Property Tax Allocation by Fund

For Secured and Unsecured Property Taxes (including Homeowner Subventions) Excluding Unitary and Aircraft

FUND NO	TAXING AGENCY	PRIOR YEAR ALLOCATION NET OF RDAS	CURRENT YEAR ALLOCATION NET OF RDAS	CURRENT YEAR INCREMENTAL GROWTH \$	CURRENT YEAR INCREMENTAL GROWTH %	MVLF SWAP & TRIPLE FLIP (SB1096)	CURRENT YEAR ALLOCATION NET OF SB1096	PCT OF TOTAL
0001	COUNTY GENERAL FUND	\$ 118,222,642	\$ 118,844,840	\$ 622,198	0.53%	\$ 44,551,947	\$ 163,396,787	26.7%
DEPENDENT SPECIAL DISTRICTS								
2120	COUNTY SERVICE AREA #3	\$ 723,890	\$ 730,610	\$ 6,720	0.93%	\$ -	\$ 730,610	0.1%
2130	COUNTY SERVICE AREA #4	33,306	32,691	(615)	-1.85%	-	32,691	0.0%
2140	COUNTY SERVICE AREA #5	93,293	91,444	(1,849)	-1.98%	-	91,444	0.0%
2170	COUNTY SERVICE AREA #11	38,457	37,716	(741)	-1.93%	-	37,716	0.0%
2220	COUNTY SERVICE AREA #31	14,598	14,629	31	0.21%	-	14,629	0.0%
2280	SB COUNTY FIRE PROTECTION	27,958,837	28,276,371	317,534	1.14%	-	28,276,371	4.6%
2400	SB COUNTY FLOOD CONTROL/WATER CONSER	1,657,393	1,664,865	7,472	0.45%	-	1,664,865	0.3%
2460	GUADALUPE FLOOD ZONE #3	35,875	36,046	171	0.48%	-	36,046	0.0%
2470	LOMPOC CITY FLOOD ZONE #2	248,375	244,157	(4,218)	-1.70%	-	244,157	0.0%
2480	LOMPOC VALLEY FLOOD ZONE #2	155,422	163,594	8,172	5.26%	-	163,594	0.0%
2500	LOS ALAMOS FLOOD ZONE #1	54,614	63,462	8,848	16.20%	-	63,462	0.0%
2510	ORCUTT FLOOD ZONE #3	245,518	245,997	479	0.20%	-	245,997	0.0%
2560	SANTA MARIA FLOOD ZONE #3	744,095	735,244	(8,851)	-1.19%	-	735,244	0.1%
2570	SM RIVER LEVEE MAINTENANCE ZONE	69,512	68,625	(887)	-1.28%	-	68,625	0.0%
2590	SANTA YNEZ FLOOD ZONE #3	262,201	263,589	1,388	0.53%	-	263,589	0.0%
2610	SOUTH COAST FLOOD ZONE #2	4,686,187	4,695,394	9,207	0.20%	-	4,695,394	0.8%
2670	NORTH COUNTY LIGHTING	396,494	392,220	(4,274)	-1.08%	-	392,220	0.1%
2700	MISSION LIGHTING DISTRICT	5,841	5,818	(23)	-0.39%	-	5,818	0.0%
3050	SANTA BARBARA COUNTY WATER	2,138,673	2,148,251	9,578	0.45%	-	2,148,251	0.4%
	TOTAL DEPENDENT SPECIAL DISTRICTS	\$ 39,562,581	\$ 39,910,723	\$ 348,142	0.88%	\$ -	\$ 39,910,723	6.5%
INCORPORATED CITIES								
0578	CITY OF BUELLTON	\$ 951,960	\$ 954,723	\$ 2,763	0.29%	\$ 769,485	\$ 1,724,208	0.3%
0580	CITY OF CARPINTERIA	1,517,780	1,507,505	(10,275)	-0.68%	1,534,896	3,042,401	0.5%
0632	CITY OF GOLETA	2,235,435	2,234,015	(1,420)	-0.06%	3,580,579	5,814,594	1.0%
0640	CITY OF GUADALUPE	136,499	136,749	250	0.18%	521,836	658,585	0.1%
0700	CITY OF LOMPOC	3,337,501	3,265,195	(72,306)	-2.17%	3,767,155	7,032,350	1.1%
0760	CITY OF SANTA BARBARA	15,226,937	15,200,387	(26,550)	-0.17%	11,745,287	26,945,674	4.4%
0840	CITY OF SANTA MARIA	7,574,782	7,452,006	(122,776)	-1.62%	10,239,926	17,691,932	2.9%
0875	CITY OF SOLVANG	613,379	608,458	(4,921)	-0.80%	640,609	1,249,067	0.2%
	TOTAL INCORPORATED CITIES	\$ 31,594,273	\$ 31,359,038	\$ (235,235)	-0.74%	\$ 32,799,773	\$ 64,158,811	10.5%
REDEVELOPMENT AGENCIES								
0577	BUELLTON CITY	\$ 795,012	\$ 797,291	\$ 2,279	0.29%	\$ -	\$ 797,291	0.1%
0633	GOLETA CITY - OLD TOWN PROJECT	3,577,579	3,737,511	159,932	4.47%	-	3,737,511	0.6%
0685	GUADALUPE CITY	1,506,053	1,563,704	57,651	3.83%	-	1,563,704	0.3%
0725	LOMPOC OLD TOWN-AREA 1	320,873	304,492	(16,381)	-5.11%	-	304,492	0.0%
0726	LOMPOC OLD TOWN-AREA 2	2,382,651	2,315,477	(67,174)	-2.82%	-	2,315,477	0.4%
0727	LOMPOC OLD TOWN-AREA 3	34,820	36,542	1,722	4.95%	-	36,542	0.0%
0785	SANTA BARBARA CITY - CENTRAL	19,908,780	19,817,073	(91,707)	-0.46%	-	19,817,073	3.2%
3100	SB COUNTY - ISLA VISTA PROJECT	6,031,258	6,141,393	110,135	1.83%	-	6,141,393	1.0%
4307	SANTA MARIA CITY - PROJECT III	2,613	-	(2,613)	-100.00%	-	-	0.0%
4308	SANTA MARIA CITY - PROJECT IV	1,128,279	1,127,708	(571)	-0.05%	-	1,127,708	0.2%
	TOTAL REDEVELOPMENT AGENCIES	\$ 35,687,918	\$ 35,841,191	\$ 153,273	0.43%	\$ -	\$ 35,841,191	5.9%
INDEPENDENT SPECIAL DISTRICTS								
0602	CITY OF CARP - LIGHTING #1	\$ 267,450	\$ 265,925	\$ (1,525)	-0.57%	\$ -	\$ 265,925	0.0%
0680	GUADALUPE CITY LIGHTING	17,672	17,747	75	0.42%	-	17,747	0.0%
3210	SANTA MARIA PUBLIC AIRPORT	1,195,323	1,203,496	8,173	0.68%	-	1,203,496	0.2%
3260	CARPINTERIA CEMETERY	157,325	159,663	2,338	1.49%	-	159,663	0.0%
3270	GOLETA CEMETERY	390,926	392,395	1,469	0.38%	-	392,395	0.1%
3280	GUADALUPE CEMETERY	40,346	40,651	305	0.76%	-	40,651	0.0%
3290	LOMPOC CEMETERY	308,120	313,760	5,640	1.83%	-	313,760	0.1%
3300	LOS ALAMOS CEMETERY	12,973	12,742	(231)	-1.78%	-	12,742	0.0%
3310	OAK HILL CEMETERY	163,392	164,172	780	0.48%	-	164,172	0.0%
3320	SANTA MARIA CEMETERY	569,123	574,219	5,096	0.90%	-	574,219	0.1%
3516	LOS ALAMOS COMMUNITY SERVICE	68,939	62,961	(5,978)	-8.67%	-	62,961	0.0%
3566	SANTA YNEZ COMMUNITY SERVICE	143,510	143,739	229	0.16%	-	143,739	0.0%
3630	CARP-SUMMERLAND FIRE PROTECTION	6,760,090	6,842,338	82,248	1.22%	-	6,842,338	1.1%
3650	MONTECITO FIRE PROTECTION	12,783,634	12,896,468	112,834	0.88%	-	12,896,468	2.1%
3750	LOMPOC HOSPITAL	782,029	796,107	14,078	1.80%	-	796,107	0.1%
3817	EMBARCADERO MUNICIPAL IMPROVEMENT	213,069	211,427	(1,642)	-0.77%	-	211,427	0.0%
4090	SANTA BARBARA METRO TRANSIT	852,535	854,716	2,181	0.26%	-	854,716	0.1%
4150	CARPINTERIA MOSQUITO ABATEMENT	108,196	109,401	1,205	1.11%	-	109,401	0.0%
4160	SANTA BARBARA COASTAL VECTOR CONTROL	221,681	223,182	1,501	0.68%	-	223,182	0.0%
4300	STOWELL PARKING/LIGHTING	22,342	22,021	(321)	-1.44%	-	22,021	0.0%
4400	CUYAMA VALLEY RECREATION	86,302	82,052	(4,250)	-4.92%	-	82,052	0.0%
4410	ISLA VISTA RECREATION & PARK	112,620	112,726	106	0.09%	-	112,726	0.0%
4500	CACHUMA RESOURCE CONSERVATION	80,197	81,425	1,228	1.53%	-	81,425	0.0%
4560	CARPINTERIA SANITARY	440,979	442,668	1,689	0.38%	-	442,668	0.1%
4640	GOLETA SANITARY	115,572	116,429	857	0.74%	-	116,429	0.0%
4900	GOLETA WEST SANITARY	1,644,160	1,638,021	(6,139)	-0.37%	-	1,638,021	0.3%
5100	MONTECITO SANITARY	427,240	430,951	3,711	0.87%	-	430,951	0.1%
5215	SUMMERLAND SANITARY	196,114	193,742	(2,372)	-1.21%	-	193,742	0.0%
5700	SANTA MARIA VALLEY WATER CONSERVATION	222,769	220,070	(2,699)	-1.21%	-	220,070	0.0%
5800	SANTA YNEZ RIVER WATER CONSERVATION	226,739	228,112	1,373	0.61%	-	228,112	0.0%
	TOTAL INDEPENDENT SPECIAL DISTRICTS	\$ 28,631,367	\$ 28,853,326	\$ 221,959	0.78%	\$ -	\$ 28,853,326	4.7%
SCHOOL DISTRICTS								
6001	BALLARD ELEMENTARY SCHOOL*	\$ 1,371,741	\$ 1,362,124	\$ (9,617)	-0.70%	\$ -	\$ 1,362,124	0.2%
6101	BLOCHMAN UNION ELEMENTARY SCHOOL	241,301	250,130	8,829	3.66%	-	250,130	0.0%
6301	BUELLTON UNION ELEMENTARY SCHOOL	2,654,318	2,658,680	4,362	0.16%	-	2,658,680	0.4%
6501	COLD SPRING ELEMENTARY SCHOOL*	2,651,379	2,705,635	54,256	2.05%	-	2,705,635	0.4%
6601	COLLEGE ELEMENTARY SCHOOL*	3,899,224	3,949,684	50,460	1.29%	-	3,949,684	0.6%
6801	GOLETA UNION ELEMENTARY SCHOOL*	25,731,709	25,864,943	133,234	0.52%	-	25,864,943	4.2%
6901	GUADALUPE UNION ELEMENTARY SCHOOL	626,831	628,507	1,676	0.27%	-	628,507	0.1%
7001	HOPE ELEMENTARY SCHOOL*	6,812,095	6,830,919	18,824	0.28%	-	6,830,919	1.1%
7101	LOS ALAMOS ELEMENTARY SCHOOL	839,280	813,490	(25,790)	-3.07%	-	813,490	0.1%
7201	LOS OLIVOS ELEMENTARY SCHOOL	1,290,477	1,308,909	18,432	1.43%	-	1,308,909	0.2%
7301	MONTECITO UNION ELEMENTARY SCHOOL*	9,302,767	9,341,705	38,938	0.42%	-	9,341,705	1.5%
7401	ORCUTT UNION ELEMENTARY SCHOOL	8,312,985	8,650,291	337,306	4.06%	-	8,650,291	1.4%
7501	SANTA BARBARA ELEMENTARY SCHOOL*	27,558,327	27,394,227	(164,100)	-0.60%	-	27,394,227	4.5%
7601	SANTA MARIA/BONITA ELEMENTARY SCHOOL	14,741,340	14,596,636	(144,704)	-0.98%	-	14,596,636	2.4%
7701	SOLVANG ELEMENTARY SCHOOL	2,326,379	2,323,862	(2,517)	-0.11%	-	2,323,862	0.4%
7801	VISTA DEL MAR ELEMENTARY SCHOOL*	1,331,190	1,283,604	(47,586)	-3.57%	-	1,283,604	0.2%
8201	SANTA BARBARA HIGH SCHOOL	53,018,203	53,085,554	67,351	0.13%	-	53,085,554	8.7%
8301	SANTA MARIA JOINT UNION HIGH SCHOOL	21,403,772	21,569,292	165,520	0.77%	-	21,569,292	3.5%
8401	SANTA YNEZ VALLEY HIGH SCHOOL*	9,684,588	9,679,293	(5,295)	-0.05%	-	9,679,293	1.6%
8701	CARPINTERIA UNIFIED SCHOOL*	15,983,797	16,221,796	237,999	1.49%	-	16,221,796	2.7%
8801	CUYAMA UNIFIED SCHOOL	677,018	642,776	(34,242)	-5.06%	-	642,776	0.1%
8901	LOMPOC UNIFIED SCHOOL	12,581,043	12,819,175	238,132	1.89%	-	12,819,175	2.1%
9401	ALLAN HANCOCK COMMUNITY COLLEGE	11,355,698	11,436,286	80,588	0.71%	-	11,436,286	1.9%
9610	SANTA BARBARA COMMUNITY COLLEGE	21,291,372	21,355,900	64,528	0.30%	-	21,355,900	3.5%
9801	COUNTY SCHOOL SERVICE FUND	22,433,753	22,533,936	100,183	0.45%	-	22,533,936	3.7%
9802	EDUCATION REVENUE AUGMENTATION (ERAF)	77,465,317	77,745,614	280,297	0.36%	(77,351,719)	393,895	0.1%
	TOTAL SCHOOL DISTRICTS	\$ 355,585,904	\$ 357,052,968	\$ 1,467,064	0.41%	\$ (77,351,719)	\$ 279,701,249	45.7%
	COUNTYWIDE TOTALS	\$ 609,284,685	\$ 611,862,086	\$ 2,577,401	0.42%	\$ -	\$ 611,862,086	100.0%

The County's General Fund allocation is \$163.4 million

Secured, Unsecured Property Taxes and Homeowner Subventions are expected to generate \$612 million for fiscal year 201011.



The net effect of the MVLF Swap & Triple Flip is a \$77.4 million decrease in taxes allocated to the ERAF fund.

Local school districts receive an allocation of \$280 million.

Included in this allocation is \$4.2 million of Homeowner Subventions received from the State but not included are \$8.6 million of Unitary & Aircraft taxes which are required to be distributed under different formulas.

AUDITOR-CONTROLLER EXTENDS 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. The tax roll is then extended by the Auditor 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
2006-07	595,425,262
2007-08	639,822,753
2008-09	676,513,072
2009-10	684,049,214
2010-11	690,418,680

In addition, numerous fixed charges approved by voters or permitted by legislation are added to the tax roll (examples include sewer, flood control and library assessments). This determines the legal liability per parcel and is passed on to the Tax Collector by September 30th.

2010-11 Tax Calculation

Local Secured Value	\$	60,609,498,460
Local Unsecured Value		3,079,203,415
Unitary Value		694,635,600
Other Exemptions		(2,326,696,419)
Taxable Values		62,056,641,056
Homeowner Exemption		(419,710,600)
Net Taxable Values	\$	61,636,930,456
1% Basic Tax Rate		x 1%
Property Tax	\$	616,369,305
Bonds		33,582,839
Fixed Charges		38,304,285
Escaped Assessments		2,162,252
Total Tax Levy	\$	690,418,680

Prior to Proposition 13, bonds could be approved by majority vote, effective July 1, 1978 bonds required a two-thirds super majority vote and effective January 1, 2001, certain bonds for school facilities can be approved by 55% of voters.

School District Bonds	Debt Authorized by Voters	Amount Originally Issued	Bonds		2010-11 Taxes per \$100K Assessed Value
			Amount Remaining to be Issued	Principal Balance Outstanding as of 6/30/2010	
<u>Elementary Schools</u>					
Buellton Union Elem Bond 1992	\$ 3,365,000	\$ 3,365,000	\$ -	\$ 1,855,000	\$ 24.22
Buellton Union Elem Bond 2004	6,500,000	6,495,887	--	6,100,887	27.92
Cold Spring Elem Bond 1996	2,900,000	2,900,000	--	2,430,000	8.66
Cold Spring Elem Bond 2008	2,440,000	2,439,843	--	2,439,543	5.20
College Elem Bond 2004	9,370,000	9,369,846	--	8,842,049	24.00
Goleta Union Elem Bond 1996	26,000,000	26,000,000	--	20,860,000	16.27
Hope Elem Sch Bond 1995	6,000,000	6,000,000	--	4,725,000	8.83
Hope Elem Sch Bond 2010	8,000,000	2,999,860 *	5,000,140 *	--	-
Los Alamos Elem Bond 1997	2,000,000	2,000,000	--	1,565,000	27.91
Los Olivos Elem Bond 1996	2,400,000	2,400,000	--	2,030,000	19.56
Los Olivos Elem Bond 2006	4,650,000	2,600,000	2,050,000	2,570,000	30.00
Montecito Union Elem Bond 1997	4,500,000	4,500,000	--	3,705,000	1.26
Orcutt Union Elem Bond 1999	15,000,000	15,000,000	--	13,175,000	26.32
Santa Barbara Elem Bond 1995	6,000,000	6,000,000	--	4,495,000	2.30
Santa Barbara Elem Bond 1998	25,000,000	25,000,000	--	21,442,695	11.68
Solvang Elem Bond 2006	11,650,000	5,637,669	6,012,331	5,472,669	25.00
<u>High Schools</u>					
Santa Barbara High Bond 2000	67,000,000	67,000,000	--	59,618,131	12.48
Santa Maria Jt High Bond 2000	30,000,000	30,000,000	--	27,061,619	23.42
Santa Maria Jt High Bond 2004	79,000,000	34,998,222	44,001,778	31,978,222	19.63
<u>Unified Schools</u>					
Carpinteria Unified Bond 1995	17,500,000	17,500,000	--	14,120,000	16.50
Lompoc Unified Sch Bond 2002	38,000,000	38,000,000	--	35,645,971	60.00
<u>Community Colleges</u>					
Allan Hancock CC Bond 2006	180,000,000	100,000,000	80,000,000	95,454,556	25.00
Santa Barbara CC Bond 2008	77,242,012	42,320,000	34,922,012	45,940,000	8.50

* Balance reflects bonds estimated at 9/1/2010 to be issued subsequent to 6/30/2010

TREASURER-TAX COLLECTOR ISSUES BILLS & COLLECTS TAXES

The Tax Collector sends annual secured tax statements (bills) by November 1st. The bill can be paid in two installments due November 1st and delinquent after December 10th and due February 1st and delinquent after April 10th. (Note that payment due dates are well into the fiscal year July to June, when they become due). Supplemental tax may be billed when there is a change in ownership or when new construction is complete.

Penalties for late payments are significant at 10% for the first installment delinquency, 10% plus \$30 for the second installment delinquency and an additional 1.5% per month beginning the following July 1st. After 5 years of taxes being delinquent property can be sold at a tax sale to pay the tax. While trending higher than earlier in the decade Santa Barbara delinquency rates continue to remain among the lowest in the state.

Number of Tax Bills Issued (as of 09/28/2010)

Fiscal Year	Secured	Unsecured	Supplemental	Total
2008-09	127,818	17,451	12,516	157,785
2009-10	128,014	16,797	14,494	159,305
2010-11	128,141	16,343	1,831*	146,315

* Partial Year

Delinquent Tax Payment History

as of June 30th of the Fiscal Year Due

Fiscal Year	Amount	Rate
2000-01	\$ 5,745,458	1.80%
2001-02	5,030,298	1.45%
2002-03	5,570,143	1.50%
2003-04	4,663,443	1.16%
2004-05	5,171,659	1.19%
2005-06	6,940,142	1.43%
2006-07	11,228,150	2.10%
2007-08	13,846,405	2.42%
2008-09	16,920,501	2.83%
2009-10	14,790,786	2.45%



BERNICE JAMES
TREASURER-TAX COLLECTOR
COUNTY OF SANTA BARBARA
FEDERAL TAX ID# 95-6002833

P.O. BOX 579
SANTA BARBARA, CA 93102-0579
(805) 568-2920 SANTA BARBARA
(805) 346-8330 SANTA MARIA

2010-2011
SECURED TAX STATEMENT
FOR FISCAL YEAR JULY 1, 2010 TO JUNE 30, 2011

PARCEL NUMBER	ASSESSEE ON JANUARY 1, 2010	CORTAC-SUBSCRIBER	LOAN NUMBER
069-484-02-00 5	GEIS ROBERT W/LAURA J		

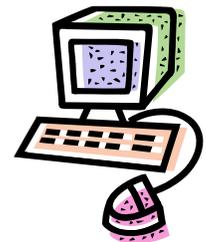
ADDRESS OF PROPERTY	ASSESSED VALUE
**SINGLE-PIECE 1 SGL T.SCR0917.1-A-1 1 1 SP 0.440  1 GEIS ROBERT W/LAURA J	LAND/MINERAL RIGHTS 255,194 IMPROVEMENTS 261,910 PERSONAL PROPERTY GROSS TOTAL 517,104 HOMEOWNER'S EXEMPTION 7,000 OTHER EXEMPTIONS NET TOTAL 510,104

TAX RATE AREA NUMBER	TAX RATE PERCENT	PRIOR YEAR TAXES	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL
66-004	1.03725	NONE	2,910.11	2,910.11	5,820.22

DELINQUENT	DUE NOVEMBER 1, 2010	DUE FEBRUARY 1, 2011	TAXES DUE
	DELINQUENT DECEMBER 10, 2010	DELINQUENT APRIL 10, 2011	

TAX DISTRIBUTION BY AGENCY		AMOUNT	TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES:					
0001 PROPOSITION 13: 1% TAX	568-2124	5,101.04			
6851 GOLETA UNION ELEM BOND 1996	681-1200	82.99			
8251 SANTA BARBARA HIGH BOND 2000	963-4331	63.66			
9621 SBCC BOND 2008	965-0581	43.36			
TOTAL BASIC PROP. TAXES		5,291.05			
FIXED CHARGES:					
2126 CO SVC AREA 3 BENEFIT ASSMT	739-8756	9.00			
2127 CSA 3 LIBRARY SPECIAL TAX	568-3412	21.51			
2611 SO COAST FLD ZN2 BENEFIT ASSMT	568-3449	22.20			
4161 VECTOR MGMT DIST ASSMT-ZN1	969-5050	9.14			
4785 GOLETA SANITARY SERVICE CHARGE	967-4519	443.32			
8202 SB HIGH PARCEL TAX MEAS H 2008	963-4338	24.00			
TOTAL FIXED CHARGES AMOUNT		529.17			
TOTAL TAXES		5,820.22			

You can now pay your property taxes online!



Visit the Treasurer-Tax Collector's website for more information:

www.sbtaxes.org

AUDITOR-CONTROLLER DISTRIBUTES PROPERTY TAXES

After collection the Tax Collector forwards the taxes to the Auditor for apportionment and distribution to all eligible jurisdictions in the County. The law requires the County Auditor 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 tax 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 base 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 for only cities and the county permanently swaps Motor Vehicle License Fee revenue for Property Taxes (the "MVLFF Swap") and temporarily exchanges Sales Tax Revenues ("Triple Flip") for Property Taxes. The *Triple Flip* expires when the State's Economic Recovery Bonds are retired in approximately 15-20 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 2010-11 the total *MVLFF Swap* was \$63.6 million and the *Triple Flip* was \$13.8 million of additional property taxes for cities and the county and a decrease of \$77.4 million of property tax revenue allocated to the ERAF.

Due to the statewide economic downturn Proposition 1A (2004) was suspended in 2009-10 requiring 8% of non-school property tax revenues to be "loaned" to the State.

The State's budget for 2009-10 passed in late July, relied on two significant bills reallocating local property taxes both temporarily and permanently for benefit of the State. The first bill (ABX4 15) suspended the local property tax protections afforded by Proposition 1A (2004) and required 8% of property tax revenues allocated to non-school entities to be "loaned" to the State for services provided within the County. Under conditions set forth in Prop 1A, the State will have to repay local governments the amount "borrowed" plus interest within three years.

The second bill (ABX4 26) required Redevelopment Agencies (RDAs) statewide to remit \$1.7 billion for 2009-10 and another \$350 million in 2010-11 into a newly created Supplemental ERAF fund (**SERAF**). A lawsuit was filed to prevent this bill from being implemented, but was not successful in the lower courts and the decision is currently being appealed.

For fiscal year 2010-11 overall County property tax growth was scant but positive. Countywide locally assessed property taxes increased \$2.6 million, representing only a 0.42% increase from the prior fiscal year. Listed on the centerfold pages 6 & 7 is a summary of the growth percentage and taxes for the various agencies that receive property tax revenue. As you will notice there are large fluctuations in growth percentages between agencies due to growth in the various geographic regions within the county.

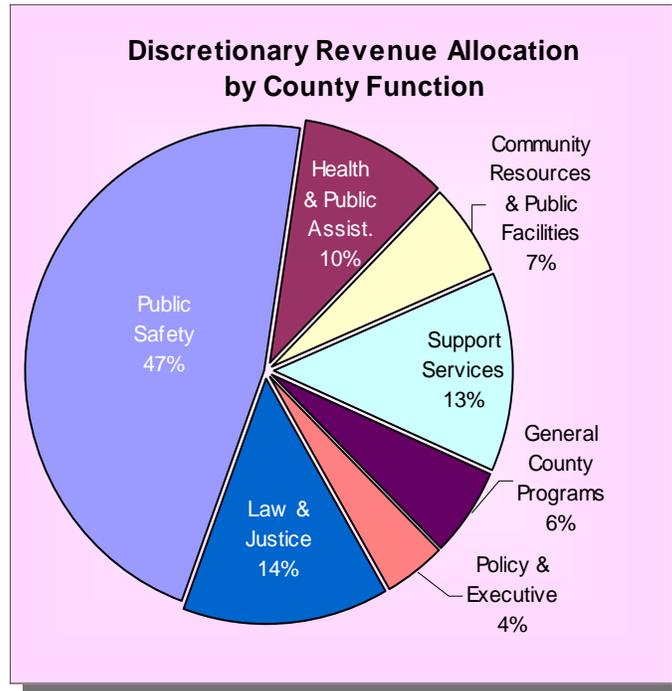
The outlook for 2010-11 continues to look gloomy with countywide property tax growth anticipated to be meager in the range of 1% – 2%. This is based on an analysis of the major categories of roll growth (see page 5). The inflation factor used for those properties not affected by transfers or new construction will most likely be less than 1%. Sales of properties are down and many of those sold are being enrolled by the Assessor for less than the properties' pre-sale assessed value. No significant construction activity is anticipated as well.

COUNTY PROPERTY TAXES

The County receives property taxes for the General Fund, five types of dependent special districts and a redevelopment agency. The dependent district taxes are allocated directly to the entity to provide specific services within geographic areas. The most significant district services are fire and flood control. The General Fund property tax is the most important tax source for the County and represents about 85% of the County's discretionary revenue. This revenue source is allocated to the governmental functions shown in the pie chart. This source of tax is the historic funding for public safety, law and justice. However, the state requires mandated services in health and public assistance without adequate funding that also competes for this important revenue source.

County Property Tax Revenues

	Actual 2008-09	Actual 2009-10	Adopted Budget 2010-11
General Fund (Discretionary)	\$ 162,492,119	\$ 163,420,349	\$ 161,903,000
Supplemental	3,342,356	1,696,447	1,900,000
Discretionary Revenue	\$ 165,834,475	\$ 165,116,796	\$ 163,803,000
Special Districts:			
Fire	27,287,899	28,081,790	28,050,450
Flood	8,275,309	8,211,277	8,285,470
Redevelopment Agency	3,836,418	3,940,393	3,860,000
Water Agency	2,163,662	2,153,025	2,262,795
County Service Areas	944,911	927,615	929,438
Lighting	415,758	403,095	401,406
Total Property Tax Revenue	\$ 208,758,431	\$ 208,833,991	\$ 207,592,559



To see the details of the entities that receive and benefit from your tax dollars visit the Auditor-Controller's website:

<http://taxes.co.santa-barbara.ca.us/propertytax>

GLOSSARY OF PROPERTY TAX TERMS

APN (Assessor Parcel Number): A unique number assigned by the County Assessor identifying a property.

Ad Valorem Property Taxes: Taxes calculated upon the **assessed value** of the property; in California comprised of the 1% tax stipulated by Proposition 13, and taxes authorized by voters to pay the debt service for bonds-usually related to capital improvement such as new or improved school facilities.

Apportionment: The distribution of property tax collections to individual **taxing jurisdictions**.

Assessed Value: The dollar value of property determined by the County Assessor or the State Board of Equalization (BOE) for the purposes of taxation.

Assessee: The owner of record on **lien date**.

Basic Aid School: A school whose property tax revenues exceeds the minimum annual State required revenue and is not eligible for distributions from **ERAF** or Supplemental tax revenues.

Education Revenue Augmentation Fund (ERAF): The fund established for the deposit of moneys deducted and transferred from the county, cities and special districts for subsequent distribution to non-**basic aid schools**.

Escaped Assessment: Assessed value not included on prior year tax bills; the additional taxes added to the current year bill that should have been billed in prior years had the omitted value been included on the original tax bill.

Exemption: A reduction in assessed value applied to a property granted for:

Homeowner's Exemption: when the property is the owner's principal place of residence.

Other Exemptions: a number of reasons provided by law such as nonprofit status.

Event Date: The date a **re-assessable event** occurs.

Fiscal Year: The period of July 1 through June 30.

Fixed Charge Assessments (Special Benefit Assessments): A charge in addition to any **ad valorem taxes** included on a tax bill. Fixed charges are not based on the assessed value of the property and are levied on a parcel basis.

Lien date: 12:01 a.m. January 1; the date when taxes are levied and become a lien on both real and personal property.

Net Assessed Value: Taxable amount of assessed property; derived from the total **assessed value** minus any **exemptions**.

Proposition 1A (2004): The constitutional amendment authorized by California voters that restricts the State's ability to reallocate local property taxes for the benefit of the State. Contains a provision where the reallocation probation can be suspended and limits such reallocations to no more than 8%

of the prior year property tax revenues.

Re-Assessable Event: Changes of ownership or completion of new construction; These events usually require the property to be re-assessed and the difference between the old assessed value and the new assessed value to be reflected on the **Supplemental Tax** roll.

Secured Property Taxes: Taxes that are assessed against real property (e.g., land or structures). The tax bill creates a lien that is "secured" by the land/structure even though no document is officially recorded.

Situs Address: The physical location of a property; the address.

Supplemental Revenue Augmentation Fund (SRAF): The fund established by ABX4 15 for the deposit of property tax revenues from non-school taxing entities "borrowed" by the State under the suspension of **Prop 1A**

Supplemental Education Revenue Augmentation Fund (SERAF): The fund established by ABX4 26 for the deposit of funds received from RDAs for subsequent distribution to schools related to those RDAs.

Supplemental Taxes: Additional taxes stemming from a **re-assessable event**. Supplemental tax is generated when the new **net assessed value** exceeds the old net assessed value and the difference between the two values is multiplied by the tax rate and then prorated from the **event date** to the end of the fiscal year. A **Supplemental Refund** is created when the new assessed value from a re-assessable event is less than the old assessed value.

Tax Rate: The factor levied per \$100 of net assessed valuation. Tax rates are **TRA** specific.

Tax Rate Area (TRA): A geographical area comprised of a unique combination of **taxing jurisdictions**; an area over which a governmental body has authority to levy property taxes.

Tax Shift: The reallocation of taxes from one entity to another; such as the **ERAF** Shift where property taxes are transferred from the county, cities and special districts to school districts via the **Education Revenue Augmentation Fund**.

Taxing Jurisdictions: An entity, such as the county, cities, schools and special districts, that has statutory authority to levy **ad valorem taxes** or **fixed charge assessments**.

Unsecured Property Tax: Taxes that are assessed to property that can be relocated and is not real estate, such as business equipment, fixtures, boats, or airplanes. If the unsecured tax is not paid, a lien is filed against the owner, not the property.