



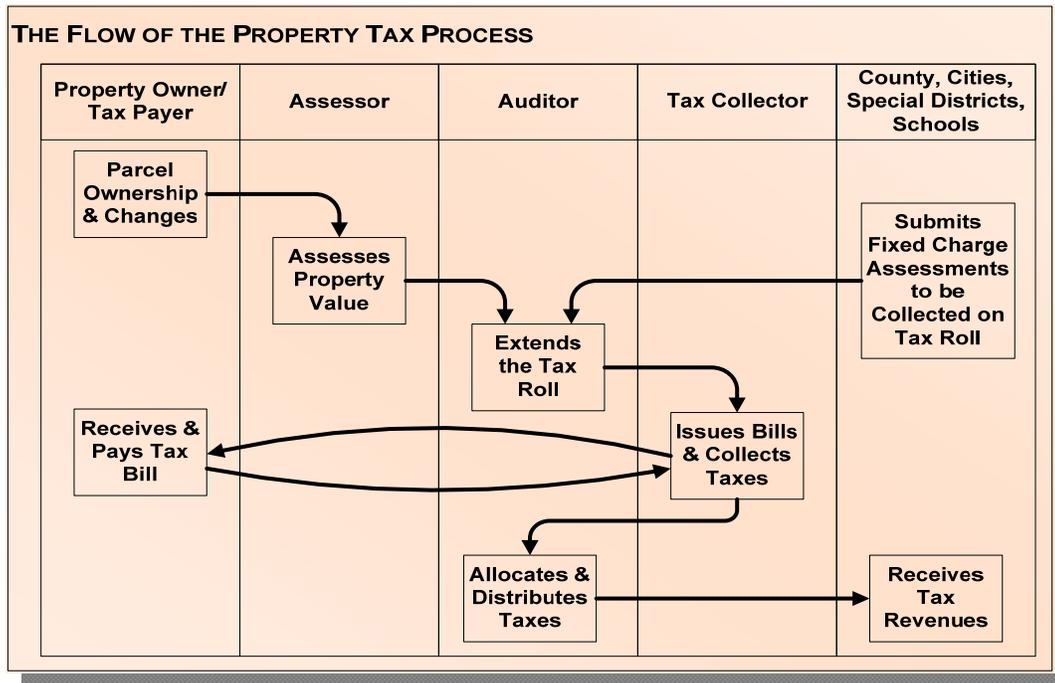
Property Tax Highlights

County of Santa Barbara

Fiscal Year July 1, 2011 to June 30, 2012

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 \$616 million for local governments within the boundaries of Santa Barbara County during fiscal year 2010-11 and is expected to generate \$625 million for fiscal year 2011-12. 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 2011-12			% of Total
(Secured, Unitary and Unsecured)			Assessed
	Type of Property	Assessed Value	Value
Exxon Corporation	Petroleum & Gas	\$ 326,429,324	0.52%
Breitbart Energy Holdings, LLC	Petroleum & Gas	267,228,223	0.43%
United Launch Alliance, LLC	Aerospace	188,636,518	0.30%
Southern California Gas Company	Utility	178,619,138	0.29%
Verizon California, Inc.	Utility	166,985,639	0.27%
Southern California Edison Co.	Utility	157,110,234	0.25%
Fairway BB Property, LLC	Residential Estate	150,510,711	0.24%
1260 BB Property, LLC (Biltmore)	Hotel	145,000,000	0.23%
Raytheon Company	Light Manufacturing	123,042,796	0.20%
Pacific Gas & Electric Co.	Utility	121,104,229	0.19%
Total Top 10 Principal Taxpayers		<u>\$ 1,824,666,812</u>	<u>2.92%</u>

The top ten taxpayers make up only 2.92% of total valuation. This is an indicator that the County has a diversified tax base.

The County has 128,391 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 2010 are valued and enrolled as of January 1, 2011.

The inflation adjustment (the lower of 2% or CPI) is applied along with exemptions and other appraisable events. The value of \$62.8 billion as of January 1, 2011 is then taxed for the fiscal year July 1, 2011 to June 30, 2012.

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

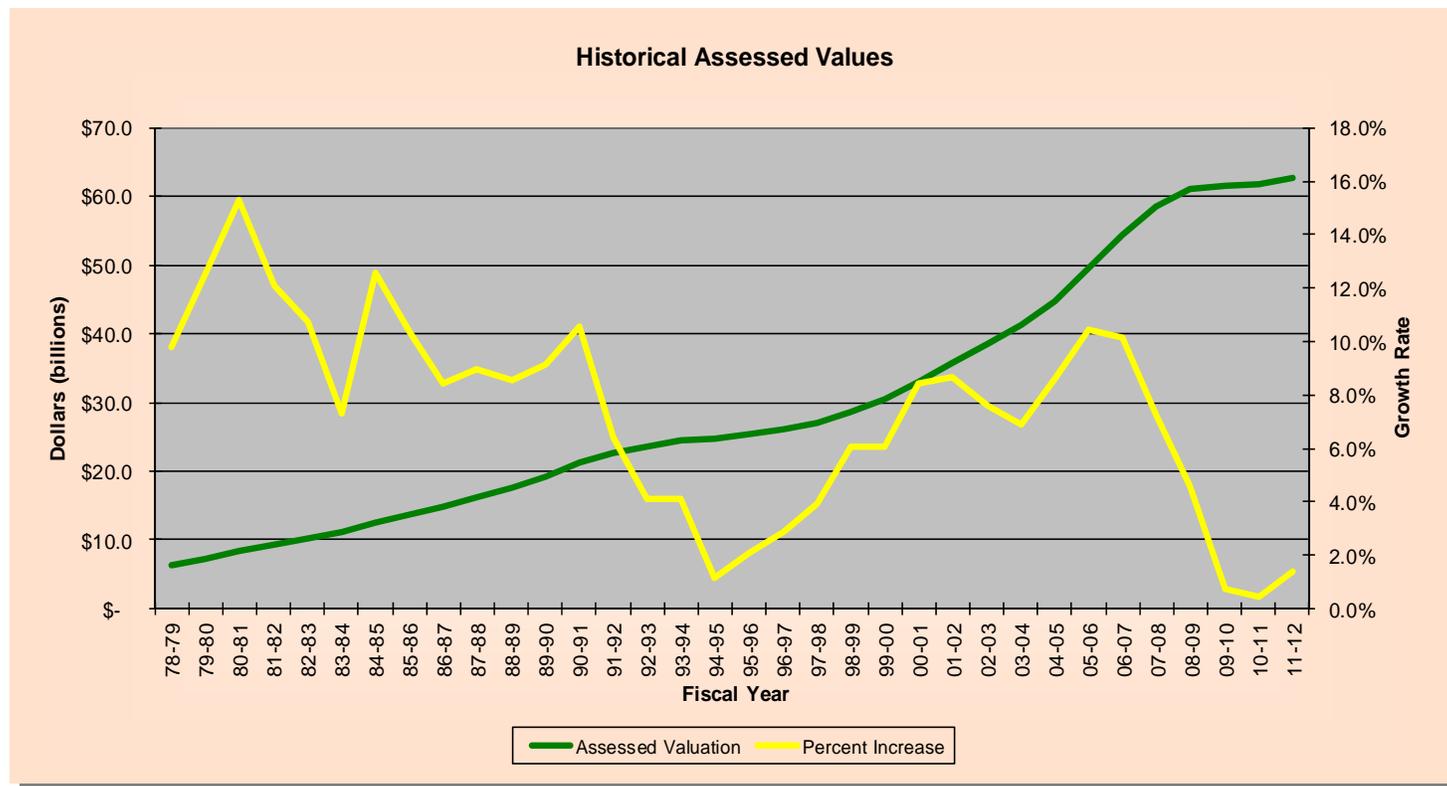
**For more information on the assessment process
visit the Clerk-Recorder-Assessor's Website at:
<http://sbcassessor.com>**

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

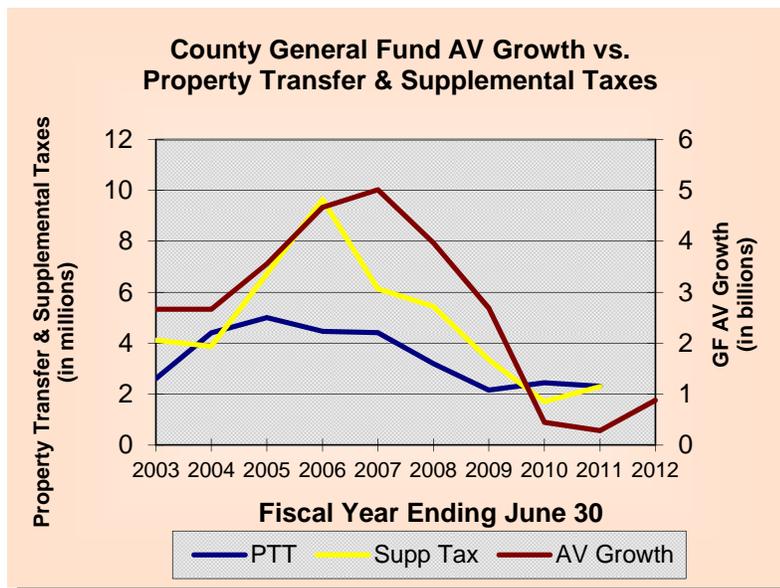
Fiscal Year	Assessed Valuation	Percent Increase
78-79	\$ 6.4	9.8%
79-80	7.2	12.5%
80-81	8.3	15.3%
81-82	9.3	12.1%
82-83	10.3	10.7%
83-84	11.1	7.3%
84-85	12.4	12.5%
85-86	13.7	10.4%
86-87	14.9	8.4%
87-88	16.2	9.0%
88-89	17.6	8.5%
89-90	19.2	9.2%
90-91	21.2	10.5%
91-92	22.6	6.4%
92-93	23.5	4.1%
93-94	24.5	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%
11-12	62.8	1.4%

ASSESSOR VALUES PROPERTY

Over the past 34 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 \$62.8 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 continue to be relatively flat for 2012-13.



ASSESSOR VALUES PROPERTY

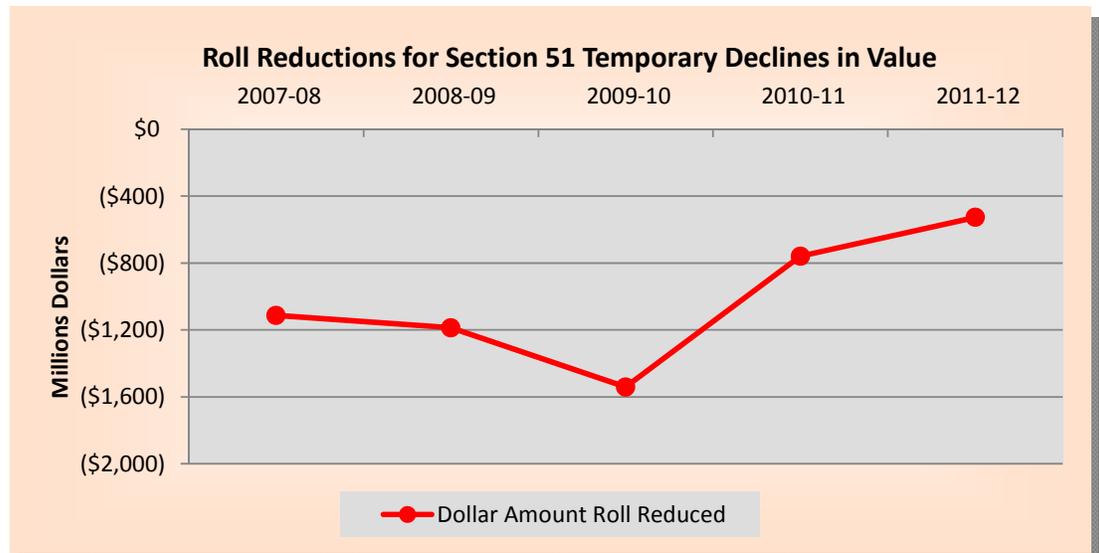
Proposition 8, passed in November 1978, amended Proposition 13 to recognize declines in value for property tax purposes. As a result, Revenue & Taxation Code Section 51 requires the Assessor to annually enroll either a property's Proposition 13 base year value factored for inflation, or its market value 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 2011-12 the Assessor continued to review parcels for Section 51 requirements and reduced the roll by approximately \$527 million dollars for the necessary adjustments. As shown in the chart at the top, this is less than in past years.



Local Secured Roll Growth By Category

	Value	Growth Pct
2010-11 Net Local Secured Roll Values	57,955,457,943	
Proposition 13 Inflation Adjustment	423,614,368	0.7%
Property Ownership Changes	513,663,320	0.9%
New Construction	270,816,867	0.5%
Non-Proposition 13 Value Change	151,889,202	0.3%
Other	(15,037,618)	0.0%
Section 51 Temporary Declines	(527,321,322)	-0.9%
2011-12 Net Local Secured Roll Values	58,773,082,760	1.4%

The table to the left shows roll growth classified by major categories as allowed by Proposition 13 and related legislation.

Section 51 Temporary Declines continue for 2011-12 to be the largest change category. Also notable this year is that the inflation adjustment was positive adding another \$424 million of growth.

The Non-Proposition 13 Value Adjustments are for properties not subject to Proposition 13 valuation rules such as agriculture preserve and mineral/oil properties.

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 2011-12 Incremental Growth and Property Tax Allocation by Fund

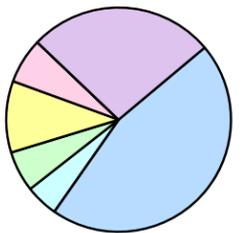
For Secured and Unsecured Property Taxes (including Homeowner Subventions) Excluding Unitary and Aircraft

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	\$ 118,844,840	\$ 120,431,441	\$ 1,586,601	1.34%	\$ 45,440,093	\$ 165,871,534	26.8%
DEPENDENT SPECIAL DISTRICTS								
2120	COUNTY SERVICE AREA #3	\$ 730,610	\$ 738,444	\$ 7,834	1.07%	\$ -	\$ 738,444	0.1%
2130	COUNTY SERVICE AREA #4	32,691	31,983	(708)	-2.17%	-	31,983	0.0%
2140	COUNTY SERVICE AREA #5	91,444	91,941	497	0.54%	-	91,941	0.0%
2170	COUNTY SERVICE AREA #11	37,716	37,795	79	0.21%	-	37,795	0.0%
2220	COUNTY SERVICE AREA #31	14,629	14,737	108	0.74%	-	14,737	0.0%
2280	SB COUNTY FIRE PROTECTION	28,276,371	28,852,089	575,718	2.04%	-	28,852,089	4.7%
2400	SB COUNTY FLOOD CONTROL/WATER CONSERVATION	1,664,865	1,687,057	22,192	1.33%	-	1,687,057	0.3%
2460	GUADALUPE FLOOD ZONE #3	36,046	36,944	898	2.49%	-	36,944	0.0%
2470	LOMPOC CITY FLOOD ZONE #2	244,157	244,756	599	0.25%	-	244,756	0.0%
2480	LOMPOC VALLEY FLOOD ZONE #2	163,594	169,955	6,361	3.89%	-	169,955	0.0%
2500	LOS ALAMOS FLOOD ZONE #1	63,462	66,619	3,157	4.97%	-	66,619	0.0%
2510	ORCUTT FLOOD ZONE #3	245,997	249,426	3,429	1.39%	-	249,426	0.0%
2560	SANTA MARIA FLOOD ZONE #3	735,244	741,765	6,521	0.89%	-	741,765	0.1%
2570	SM RIVER LEVEE MAINTENANCE ZONE	68,625	69,360	735	1.07%	-	69,360	0.0%
2590	SANTA YNEZ FLOOD ZONE #3	263,589	265,776	2,187	0.83%	-	265,776	0.0%
2610	SOUTH COAST FLOOD ZONE #2	4,695,394	4,747,305	51,911	1.11%	-	4,747,305	0.8%
2670	NORTH COUNTY LIGHTING	392,220	391,619	(601)	-0.15%	-	391,619	0.1%
2700	MISSION LIGHTING DISTRICT	5,818	5,912	94	1.62%	-	5,912	0.0%
3050	SANTA BARBARA COUNTY WATER	2,148,251	2,176,603	28,352	1.32%	-	2,176,603	0.4%
TOTAL DEPENDENT SPECIAL DISTRICTS		\$ 39,910,723	\$ 40,620,086	\$ 709,363	1.78%	\$ -	\$ 40,620,086	6.6%
INCORPORATED CITIES								
0578	CITY OF BUELLTON	\$ 954,723	\$ 960,763	\$ 6,040	0.63%	\$ 737,406	\$ 1,698,169	0.3%
0580	CITY OF CARPINTERIA	1,507,505	1,523,489	15,984	1.06%	1,421,217	2,944,706	0.5%
0632	CITY OF GOLETA	2,234,015	2,283,697	49,682	2.22%	3,383,191	5,666,888	0.9%
0640	CITY OF GUADALUPE	136,749	128,258	(8,491)	-6.21%	492,612	620,870	0.1%
0700	CITY OF LOMPOC	3,265,195	3,271,014	5,819	0.18%	3,705,466	6,976,480	1.1%
0760	CITY OF SANTA BARBARA	15,200,387	15,297,892	97,505	0.64%	11,633,159	26,931,051	4.3%
0840	CITY OF SANTA MARIA	7,452,006	7,522,763	70,757	0.95%	10,278,569	17,801,332	2.9%
0875	CITY OF SOLVANG	608,458	602,545	(5,913)	-0.97%	642,950	1,245,495	0.2%
TOTAL INCORPORATED CITIES		\$ 31,359,038	\$ 31,590,421	\$ 231,383	0.74%	\$ 32,294,569	\$ 63,884,990	10.3%
REDEVELOPMENT AGENCIES								
0577	BUELLTON CITY	\$ 797,291	\$ 783,326	\$ (13,965)	-1.75%	\$ -	\$ 783,326	0.1%
0633	GOLETA CITY - OLD TOWN PROJECT	3,737,511	3,884,457	146,946	3.93%	-	3,884,457	0.6%
0685	GUADALUPE CITY	1,563,704	1,528,499	(35,205)	-2.25%	-	1,528,499	0.2%
0725	LOMPOC OLD TOWN-AREA 1	304,492	299,102	(5,390)	-1.77%	-	299,102	0.0%
0726	LOMPOC OLD TOWN-AREA 2	2,315,477	2,299,686	(15,791)	-0.68%	-	2,299,686	0.4%
0727	LOMPOC OLD TOWN-AREA 3	36,542	37,053	511	1.40%	-	37,053	0.0%
0785	SANTA BARBARA CITY - CENTRAL	19,817,073	19,860,903	43,830	0.22%	-	19,860,903	3.2%
3100	SB COUNTY - ISLA VISTA PROJECT	6,141,393	6,561,244	419,851	6.84%	-	6,561,244	1.1%
4308	SANTA MARIA CITY - PROJECT IV	1,127,708	1,111,261	(16,447)	-1.46%	-	1,111,261	0.2%
TOTAL REDEVELOPMENT AGENCIES		\$ 35,841,191	\$ 36,365,531	\$ 524,340	1.46%	\$ -	\$ 36,365,531	5.9%
INDEPENDENT SPECIAL DISTRICTS								
0602	CITY OF CARP - LIGHTING #1	\$ 265,925	\$ 267,581	\$ 1,656	0.62%	\$ -	\$ 267,581	0.0%
0680	GUADALUPE CITY LIGHTING	17,747	15,617	(2,130)	-12.00%	-	15,617	0.0%
3210	SANTA MARIA PUBLIC AIRPORT	1,203,496	1,231,590	28,094	2.33%	-	1,231,590	0.2%
3260	CARPINTERIA CEMETERY	159,663	159,674	11	0.01%	-	159,674	0.0%
3270	GOLETA CEMETERY	392,395	397,058	4,663	1.19%	-	397,058	0.1%
3280	GUADALUPE CEMETERY	40,651	41,921	1,270	3.12%	-	41,921	0.0%
3290	LOMPOC CEMETERY	313,760	316,839	3,079	0.98%	-	316,839	0.1%
3300	LOS ALAMOS CEMETERY	12,742	14,037	1,295	10.16%	-	14,037	0.0%
3310	OAK HILL CEMETERY	164,172	165,460	1,288	0.78%	-	165,460	0.0%
3320	SANTA MARIA CEMETERY	574,219	585,061	10,842	1.89%	-	585,061	0.1%
3516	LOS ALAMOS COMMUNITY SERVICE	62,961	60,698	(2,263)	-3.59%	-	60,698	0.0%
3566	SANTA YNEZ COMMUNITY SERVICE	143,739	142,165	(1,574)	-1.10%	-	142,165	0.0%
3630	CARP-SUMMERLAND FIRE PROTECTION	6,842,338	6,843,353	1,015	0.01%	-	6,843,353	1.1%
3650	MONTECITO FIRE PROTECTION	12,896,468	13,139,883	243,415	1.89%	-	13,139,883	2.1%
3750	LOMPOC HOSPITAL	796,107	803,904	7,797	0.98%	-	803,904	0.1%
3817	EMBARCADERO MUNICIPAL IMPROVEMENT	211,427	212,595	1,168	0.55%	-	212,595	0.0%
4090	SANTA BARBARA METRO TRANSIT	854,716	863,901	9,185	1.07%	-	863,901	0.1%
4150	CARPINTERIA MOSQUITO ABATEMENT	109,401	109,130	(271)	-0.25%	-	109,130	0.0%
4160	SANTA BARBARA COASTAL VECTOR CONTROL	223,182	226,236	3,054	1.37%	-	226,236	0.0%
4300	STOWELL PARKING/LIGHTING	22,021	21,866	(155)	-0.70%	-	21,866	0.0%
4400	CUYAMA VALLEY RECREATION	82,052	99,090	17,038	20.76%	-	99,090	0.0%
4410	ISLA VISTA RECREATION & PARK	112,726	113,116	390	0.35%	-	113,116	0.0%
4500	CACHUMA RESOURCE CONSERVATION	81,425	83,227	1,802	2.21%	-	83,227	0.0%
4560	CARPINTERIA SANITARY	442,668	443,682	1,014	0.23%	-	443,682	0.1%
4640	GOLETA SANITARY	116,429	117,215	786	0.68%	-	117,215	0.0%
4900	GOLETA WEST SANITARY	1,638,021	1,694,510	56,489	3.45%	-	1,694,510	0.3%
5100	MONTECITO SANITARY	430,951	439,299	8,348	1.94%	-	439,299	0.1%
5215	SUMMERLAND SANITARY	193,742	190,580	(3,162)	-1.63%	-	190,580	0.0%
5700	SANTA MARIA VALLEY WATER CONSERVATION	220,070	222,306	2,236	1.02%	-	222,306	0.0%
5800	SANTA YNEZ RIVER WATER CONSERVATION	228,112	231,114	3,002	1.32%	-	231,114	0.0%
TOTAL INDEPENDENT SPECIAL DISTRICTS		\$ 28,853,326	\$ 29,252,708	\$ 399,382	1.38%	\$ -	\$ 29,252,708	4.7%
SCHOOL DISTRICTS								
6001	BALLARD ELEMENTARY SCHOOL*	\$ 1,362,124	\$ 1,380,161	\$ 18,037	1.32%	\$ -	\$ 1,380,161	0.2%
6101	BLOCHMAN UNION ELEMENTARY SCHOOL	250,130	313,525	63,395	25.34%	-	313,525	0.1%
6301	BUELLTON UNION ELEMENTARY SCHOOL	2,658,680	2,685,201	26,521	1.00%	-	2,685,201	0.4%
6501	COLD SPRING ELEMENTARY SCHOOL*	2,705,635	2,770,626	64,991	2.40%	-	2,770,626	0.4%
6601	COLLEGE ELEMENTARY SCHOOL*	3,949,684	4,004,292	54,608	1.38%	-	4,004,292	0.6%
6801	GOLETA UNION ELEMENTARY SCHOOL*	25,864,943	26,320,048	455,105	1.76%	-	26,320,048	4.2%
6901	GUADALUPE UNION ELEMENTARY SCHOOL	628,507	624,686	(3,821)	-0.61%	-	624,686	0.1%
7001	HOPE ELEMENTARY SCHOOL*	6,830,919	6,843,927	13,008	0.19%	-	6,843,927	1.1%
7101	LOS ALAMOS ELEMENTARY SCHOOL†	813,490	834,958	21,468	2.64%	-	834,958	0.1%
7201	LOS OLIVOS ELEMENTARY SCHOOL	1,308,909	1,325,793	16,884	1.29%	-	1,325,793	0.2%
7301	MONTECITO UNION ELEMENTARY SCHOOL*	9,341,705	9,508,533	166,828	1.79%	-	9,508,533	1.5%
7401	ORCUTT UNION ELEMENTARY SCHOOL	8,650,291	8,755,978	105,687	1.22%	-	8,755,978	1.4%
7501	SANTA BARBARA UNIFIED (ELEM) SCHOOL*‡	27,394,227	27,624,709	230,482	0.84%	-	27,624,709	4.5%
7601	SANTA MARIA/BONITA ELEMENTARY SCHOOL	14,596,636	14,783,744	187,108	1.28%	-	14,783,744	2.4%
7701	SOLVANG ELEMENTARY SCHOOL	2,323,862	2,324,992	1,130	0.05%	-	2,324,992	0.4%
7801	VISTA DEL MAR ELEMENTARY SCHOOL*	1,283,604	1,281,657	(1,947)	-0.15%	-	1,281,657	0.2%
8201	SANTA BARBARA UNIFIED (HIGH) SCHOOL*‡	53,085,554	53,760,545	674,991	1.27%	-	53,760,545	8.7%
8301	SANTA MARIA JOINT UNION HIGH SCHOOL	21,569,292	22,075,249	505,957	2.35%	-	22,075,249	3.6%
8401	SANTA YNEZ VALLEY HIGH SCHOOL*	9,679,293	9,758,552	79,259	0.82%	-	9,758,552	1.6%
8701	CARPINTERIA UNIFIED SCHOOL*	16,221,796	16,222,718	922	0.01%	-	16,222,718	2.6%
8801	CUYAMA UNIFIED SCHOOL	642,776	775,539	132,763	20.65%	-	775,539	0.1%
8901	LOMPOC UNIFIED SCHOOL	12,819,175	12,924,997	105,822	0.83%	-	12,924,997	2.1%
9401	ALLAN HANCOCK COMMUNITY COLLEGE	11,436,286	11,635,580	199,294	1.74%	-	11,635,580	1.9%
9610	SANTA BARBARA COMMUNITY COLLEGE	21,355,900	21,591,527	235,627	1.10%	-	21,591,527	3.5%
9801	COUNTY SCHOOL SERVICE FUND	22,533,936	22,832,121	298,185	1.32%	-	22,832,121	3.7%
9802	EDUCATION REVENUE AUGMENTATION (ERAF)	77,745,614	78,741,457	995,843	1.28%	(77,734,662)	1,006,795	0.2%
TOTAL SCHOOL DISTRICTS		\$ 357,052,968	\$ 361,701,115	\$ 4,648,147	1.30%	\$ (77,734,662)	\$ 283,966,453	45.8%
COUNTYWIDE TOTALS		\$ 611,862,086	\$ 619,961,302	\$ 8,099,216	1.32%	\$ -	\$ 619,961,302	100.0%

The County's General Fund allocation is \$165.9 million

Secured, Unsecured Property Taxes and Homeowner Subventions are expected to generate \$620 million for fiscal year 2011-12.

Where Do Property Taxes Go?



County General Fund	26.8%
Dependent Special Districts	6.6%
Incorporated Cities	10.3%
Redevelopment Agencies	5.9%
Independent Special Districts	4.7%
School Districts	45.8%

The net effect of the MVLF Swap & Triple Flip is a \$77.7 million decrease in taxes allocated to the ERAF fund.

Local school districts receive an allocation of \$284 million.

Included in this allocation is \$4.1 million of Homeowner Subventions received from the State but not included are \$9.5 million of Unitary & Aircraft taxes which are required to be distributed under different formulas.

* Basic Aid School District

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
2007-08	639,822,753
2008-09	676,513,072
2009-10	684,049,214
2010-11	690,418,680
2011-12	699,621,695

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.

2011-12 Tax Calculation

Local Secured Value	\$ 61,788,635,621
Local Unsecured Value	3,117,381,937
Unitary Value	758,192,899
Other Exemptions	(2,716,095,498)
Taxable Values	62,948,114,959
Homeowner Exemption	(410,117,086)
Net Taxable Values	\$ 62,537,997,873
1% Basic Tax Rate	x 1%
Property Tax	\$ 625,379,979
Bonds	33,991,331
Fixed Charges	39,650,809
Escaped Assessments	599,576
Total Tax Levy	\$ 699,621,695

Effective July 1, 1978 bonds require 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	Bonds			2011-12 Taxes per \$100K Assessed Value
		Amount Originally Issued	Amount Remaining to be Issued	Principal Balance Outstanding as of 6/30/2011	
<u>Elementary Schools</u>					
Buellton Union Elem Bond 1992	\$ 3,365,000	\$ 3,365,000	\$ --	\$ 1,450,000	\$ 21.95
Buellton Union Elem Bond 2004	6,500,000	6,495,887	--	5,965,887	28.76
Cold Spring Elem Bond 1996	2,900,000	2,900,000	--	2,335,000	8.14
Cold Spring Elem Bond 2008	2,440,000	2,439,843	--	2,424,543	5.72
College Elem Bond 2004	9,370,000	9,369,846	--	8,631,064	25.00
Goleta Union Elem Bond 1996	26,000,000	26,000,000	--	20,180,000	16.27
Hope Elem Sch Bond 1995	6,000,000	6,000,000	--	4,525,000	8.33
Hope Elem Sch Bond 2010	8,000,000	2,998,947	5,001,053	2,998,947	0.50
Los Alamos Elem Bond 1997	2,000,000	2,000,000	--	1,515,000	27.91
Los Olivos Elem Bond 1996	2,400,000	2,400,000	--	1,985,000	19.95
Los Olivos Elem Bond 2006	4,650,000	2,600,000	2,050,000	2,540,000	30.00
Montecito Union Elem Bond 1997	4,500,000	4,500,000	--	3,575,000	0.94
Orcutt Union Elem Bond 1999	15,000,000	15,000,000	--	12,755,000	25.53
Solvang Elem Bond 2006	11,650,000	5,637,669	6,012,331	5,362,669	26.25
<u>High Schools</u>					
Santa Maria Jt High Bond 2000	30,000,000	30,000,000	--	26,063,214	24.12
Santa Maria Jt High Bond 2004	79,000,000	34,998,222	44,001,778	31,873,222	19.63
<u>Unified Schools</u>					
Santa Barbara Unified - High Bond 2000	67,000,000	67,000,000	--	57,740,443	12.73
Santa Barbara Unified - High Bond 2010 Q	75,000,000	24,998,211	50,001,789	24,998,211	0.93
Santa Barbara Unified - Elem Bonds 1995	6,000,000	6,000,000	--	4,300,000	2.30
Santa Barbara Unified - Elem Bonds 1998	25,000,000	25,000,000	--	20,689,571	11.68
Santa Barbara Unified - Elem Bond 2010 R	35,000,000	14,998,229	20,001,771	14,998,229	0.05
Carpinteria Unified Bond 1995	17,500,000	17,500,000	--	13,640,000	16.50
Lompoc Unified Sch Bond 2002	38,000,000	38,000,000	--	34,395,971	63.60
<u>Community Colleges</u>					
Allan Hancock CC Bond 2006	180,000,000	136,500,000	* 43,500,000	* 92,548,662	25.00
Santa Barbara CC Bond 2008	77,242,012	42,320,000	34,922,012	44,905,000	8.50

* Balance reflects bonds estimated at 9/1/2011 to be issued subsequent to 6/30/2011

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.

Number of Tax Bills Issued (as of 10/21/2011)

Fiscal Year	Secured	Unsecured	Supplemental	Total
2009-10	128,014	16,797	14,632	159,443
2010-11	128,185	16,479	12,720	157,384
2011-12	128,139	16,109	1,916*	146,164

* Partial Year

Delinquent Tax Payment History

as of June 30th of the Fiscal Year Due

Fiscal Year	Amount	Rate
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%
2010-11	10,304,381	1.71%

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.



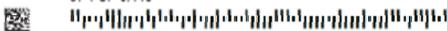
HARRY E. HAGEN, CPA
TREASURER-TAX COLLECTOR
COUNTY OF SANTA BARBARA
FEDERAL TAX ID# 95-6002933

P.O. BOX 579
SANTA BARBARA, CA 93102-0579
(805) 568-2920 SANTA BARBARA
(805) 346-6330 SANTA MARIA

2011-2012
SECURED TAX STATEMENT
FOR FISCAL YEAR JULY 1, 2011 TO JUNE 30, 2012

PARCEL NUMBER 069-484-02-00 5 **ASSESSEE ON JANUARY 1, 2011** GEIS ROBERT W/LAURA J **CORTAC-SUBSCRIBER** **LOAN NUMBER**

ADDRESS OF PROPERTY

069-484-02-00 SEC
**SINGLE-PIECE 1 SGL T.SCRIVES-A-1 37
37 1 SP 0.440

GEIS ROBERT W/LAURA J

ASSESSED VALUE

LAND/MINERAL RIGHTS	257,115
IMPROVEMENTS	263,882
PERSONAL PROPERTY	
GROSS TOTAL	520,997
HOMEOWNER'S EXEMPTION	7,000
OTHER EXEMPTIONS	
NET TOTAL	513,997

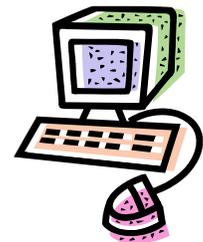
TAX AMOUNTS

BASIC PROPERTY TAX	5,337.49
SPECIAL DISTRICTS	
FIXED CHARGES	530.51
TOTAL TAX	5,868.00

TAX RATE AREA NUMBER	TAX RATE PERCENT	PRIOR YEAR TAXES	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL
66-004	1.03843	NONE	2,934.00	2,934.00	5,868.00
		DELINQUENT	DUE NOVEMBER 1, 2011 DELINQUENT DECEMBER 10, 2011	DUE FEBRUARY 1, 2012 DELINQUENT APRIL 10, 2012	TAXES DUE

TAX DISTRIBUTION BY AGENCY		AMOUNT	TAX DISTRIBUTION BY AGENCY		AMOUNT
BASIC PROPERTY TAXES:					
0001 PROPOSITION 13: 1% TAX	568-2124	5,139.96			
6851 GOLETA UNION ELEM BOND 1996	681-1200	83.63			
8251 SBUSD HIGH BOND 2000	963-4338	65.43			
8254 SBUSD HIGH BOND 2010	963-4338	4.78			
9621 SBCC BOND 2008	965-0581	43.69			
TOTAL BASIC PROP. TAXES		5,337.49			
FIXED CHARGES:					
2126 CO SVC AREA 3 BENEFIT ASSMT	739-8756	9.00			
2127 CSA 3 LIBRARY SPECIAL TAX	568-3403	21.76			
2611 SO COAST FLD ZN2 BENEFIT ASSMT	568-3449	22.85			
4161 VECTOR MGMT DIST ASSMT-ZN1	969-5050	9.58			
4785 GOLETA SANITARY SERVICE	967-4519	443.32			
8202 SBUSD HIGH PARCEL TAX 2008 (H)	963-4338	24.00			
TOTAL FIXED CHARGES AMOUNT		530.51			
TOTAL TAXES		5,868.00			

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your property
taxes online!**



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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 after the initial issuance in 2004. 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).

*Possibly More Complicated
Property Tax Distribution
Legislation Will Need to be
Implemented*

For fiscal year 2011-12 the total *MVLFF Swap* was \$64.3 million and the *Triple Flip* was \$13.4 million of additional property taxes for cities and the county and a decrease of \$77.7 million of property tax revenue allocated to the ERAF.

The State's budget for 2011-12 passed with lots of controversy in late June, relies in part on two bills that will alter the property tax distribution to Redevelopment Agencies. Both bills have been legally challenged and have been stayed from operation by the California Supreme Court until their decision is rendered sometime in early 2012.

For fiscal year 2011-12 overall County property tax growth was tepid. Countywide locally assessed property taxes increased \$8.1 million, representing a 1.32% 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 Property Tax revenue outlook for 2012-13 is expected to be better than 2011-12. Based on an analysis of the major categories of roll growth (see page 5) countywide property tax growth is anticipated to be in the range of 1.5% – 2.5%.

*Outlook for 2012-13 is
Tepid Growth*

The inflation factor used for those properties not affected by transfers or new construction will most likely be 2% which should approximately double this category's 2011-12 growth. Sales of properties continue to be 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. With this in mind, these two categories are expected to perform at 2011-12 levels. When combined approximately 2.9% growth is anticipated BEFORE any necessary reductions for Section 51 Temporary Declines.

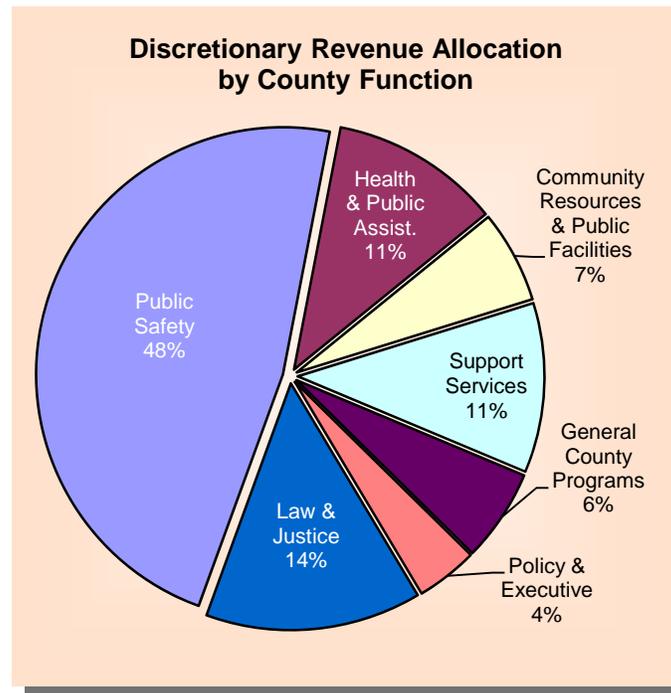
The Section 51 Temporary Declines continue to be a significant variable and if the downward trend continues would reduce the roll by approximately 0.5% to about an overall growth of about 2.4%. However, there are concerns that portions of the South Coast, notably the Goleta Valley, may not follow this trend and will require increased Section 51 adjustments. If so, then the over all growth rate could drop to below 2%.

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 2009-10	Actual 2010-11	Adopted Budget 2011-12
General Fund (Discretionary)	\$ 163,420,349	\$ 164,178,932	\$ 165,134,000
Supplemental	1,696,447	2,293,502	2,500,000
Discretionary Revenue	\$ 165,116,796	\$ 166,472,434	\$ 167,634,000
Special Districts:			
Fire	28,081,790	28,453,294	28,977,650
Flood	8,211,277	8,245,817	8,259,115
Redevelopment Agency	3,940,393	4,132,452	3,955,000
Water Agency	2,153,025	2,164,070	2,157,089
County Service Areas	927,615	932,235	949,753
Lighting	403,095	399,651	401,815
Total Property Tax Revenue	\$ 208,833,991	\$ 210,799,954	\$ 212,334,422



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.

Redevelopment Agency (RDA): A legislative mechanism that allows the county or a city to revitalize blighted areas using a portion of the general property taxes allocated to the taxing jurisdictions providing services in the redevelopment project area.

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 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.