GENERAL INFORMATION FOR TAXING AGENCIES

PREPARING THE TAX ROLL

To generate the annual secured tax roll, the County Auditor applies the one percent (1%) tax rate set by Proposition 13 and other tax rates for voter approved debt to the combined assessed valuation roll. Additionally, the County Auditor compiles the fixed charge special assessments to be included in the tax roll on behalf of local governmental entities.

Combined Assessed Valuation Reports

The County Auditor combines the assessed values (AV) from the local assessed valuation roll prepared by the County Assessor and the State roll prepared by the State Board of Equalization into a combined AV roll. The Auditor prepares combined AV reports for each taxing agency to be mailed out in July. Taxing agencies that have voter approved debt must use the combined AV reports provided by the County Auditor for their tax rate computations.

Tax Rates, Fees and Assessments

The County Auditor in early July computes the tax rates for voter approved debt of school districts. School districts that have recently issued general obligation bonds or plan on issuing new bonds in the coming year must notify the County Auditor by early July. Districts submit the actual or estimated debt service schedule for the new bonds by early July to ensure that a tax rate for the new bonds is included in the tax roll. Tax rates must be approved by the County Board of Supervisors on or before October 3rd. Additionally, special districts that compute their own rates must submit a resolution and other supporting documentation to the County Auditor no later than August 30th to ensure that the rate is included in the tax roll. Governmental entities who wish to bill and collect their fees, special taxes, or assessments through the property tax roll must submit a list of parcels and the assessment amount for each parcel to the County Auditor by this date. In addition to the list of parcels and charges, the County Auditor also must receive a copy of the governing body's ordinance approving the assessments, and a signed statement certifying the accuracy of the assessment information provided to the County Auditor. The deadline for submitting Fixed Charge Special Assessments is August 10th. After all tax rates and fixed charge special assessments are compiled, the tax roll is generated.

The tax roll then generates the annual tax bills and determines the county-wide taxes receivable. The total receivable amount is then allocated to taxing agencies using the allocation formula established by Assembly Bill 8 in 1979. Refer to the pie chart on page 4 for the current year revenue allocation. However, before this process takes place, the County Auditor must update the master Tax Rate Area Index (TRAI) and compute the Tax Rate Area (TRA) allocation factors.

Tax Rate Area Index

Each year, the County Auditor updates the TRAI to reflect changes to the TRA structure approved by the State Board of Equalization. In coordination with the County Assessor and the State Board of Equalization, the County Auditor assigns properties with the same combination of taxing agencies serving them into distinct TRAs. TRAs are a key component in the allocation of property tax revenues. After California voters approved Proposition 13 in 1978 limiting the ad valorem tax to one percent (1%) of a property's full market value, the state legislature had to establish a means to allocate the reduced amount of tax revenue to the taxing agencies entitled to receive a share of the tax. The revenue allocation formula was initially defined by Assembly Bill 8 (AB8) and supplemented later on by various bills.

AB8 Tax Revenue Allocation Formula

This bill in 1979 determined the tax base for each taxing agency. Basically during each subsequent year after the tax base was determined, each agency is entitled to receive this tax base plus a proportional share of revenues resulting from the assessed value growth above the base. The combined base and growth for the current year would then become the following year's base. The Auditor measures annual growth at the TRA level resulting from annual changes of property values and other factors, including jurisdictional changes and new legislation.

Jurisdictional Changes and TRA allocation factors

A jurisdictional change occurs when a taxing entity's boundaries change. The change may be due to annexation or detachment of properties from a taxing entity or reorganization of existing taxing entities. A taxing entity frequently initiates the process through the Local Agency Formation Commission (LAFCO), and the change also is submitted to the State Board of Equalization (SBE). The SBE maintains an official list of taxing entities within a TRA. These jurisdictional changes often result in changes to the TRA allocation factors. Each TRA has a set of factors equaling one hundred percent (100%). The Auditor uses these factors to allocate TRA incremental increase or decrease from growth in the tax levy. These factors generally do not change without a jurisdictional change negotiated agreement initiated by LAFCO and/or the affected jurisdictions, by mandated legislative tax shifts, or TRA consolidations.

PROPERTY TAX REVENUE APPORTIONMENT

The County Auditor allocates and distributes taxes on a monthly basis according to a preliminary schedule prepared by the County Auditor and distributed to taxing agencies in July. The County Tax Collector transmits on a monthly basis the taxes collected to the County Auditor along with detailed certified reports listing taxes collected by revenue category (e.g. current year secured taxes, current year unsecured taxes, prior year secured taxes, etc).

Property tax revenue from tax rates for voter approved debt plus fixed charge special assessments (FCSAs) get allocated and distributed to specific funds set up for each tax rate or FCSA. The Auditor allocates 1% revenue to the taxing agencies entitled to receive a portion of this tax utilizing each agency's AB8 apportionment factor. The Auditor allocates the one percent (1%) general tax revenue from the following property types using different apportionment factors or special formulas prescribed by various sections of the California Revenue and Taxation Code:

- 1% Unitary Tax (R&T § 100)
- 1% Unitary-Qualified Electric (R&T § 100.95(a)(3))
- 1% Unitary Regulated Railway Companies (R&T § 100.11(a)(1)(B) & 100.11(a)(2)(C))
- 1% Supplemental Tax Revenue (R&T § 75.60)
- 1% Unsecured Tax from Aircraft (R&T § 4701)

Alternative Method of Apportionment (Teeter Plan)
The County of San Diego implemented the alternative method of apportionment commonly referred as the Teeter Plan in fiscal year 1993-94. Under the Teeter Plan, the County buys out the estimated outstanding current year delinquent secured and secured supplemental tax receivables as of June 30th. The Teeter Plan buy out is processed before June 30th.

IMPORTANT DATES FOR TAXING AGENCIES

May:	May 30	Preliminary assessed value reports available from the County Assessor.
	May 30	County Auditor distributes instructions for placing voter approved tax rates on the County tax roll.
July:	July 1	County Assessor transmits certified local assessed valuation roll to the County Auditor.
	July 1	State transmits preliminary State roll to the County Auditor.
	July 2	County Auditor starts accepting fixed charge special assessment submissions.
	July 9 - 13	County Auditor distributes combined assessed valuation reports to taxing agencies.
	July 9	Deadline for school districts for submission of debt service schedules for new general obligation bonds to the County Auditor.
	July 16 - 23	County Auditor distributes assessed valuation reports to redevelopment agencies.
	July 30	County Auditor starts accepting voter approved debt service rates/resolutions (from agencies that compute their own tax rates).
August:	Aug. 3	County Board of Supervisors approval of tax rates.
	Aug. 10	Last day for submission of fixed charge special assessments to the County Auditor.
	Aug. 30	Last day for submission of voter approved debt service rates/resolutions (from agencies that compute their own tax rates) to the County Auditor.
October:	Oct. 1	Deadline for redevelopment agencies to file Statement of Indebtedness with the County Auditor.
	Oct. 30	County Auditor distributes estimated tax increment reports to redevelopment agencies.