



Legislation Details (With Board Report)

File #: BC 23-040 **Name:** Bi-Annual Report- Assessor March 2023
Type: Budget Committee **Status:** Agenda Ready
File created: 3/1/2023 **In control:** Budget Committee
On agenda: 3/3/2023 **Final action:**
Title: a. Receive the Bi-Annual Report from the Assessor County Clerk Recorder; and
b. Receive a report on the current year estimated deficit.

Sponsors:

Indexes:

Code sections:

Attachments: 1. BC Report, 2. C-R Fee Report FY 22-23

Date	Ver.	Action By	Action	Result
3/3/2023	1	Budget Committee		

a. Receive the Bi-Annual Report from the Assessor County Clerk Recorder; and
b. Receive a report on the current year estimated deficit.

RECOMMENDATION:

It is recommended that the Budget Committee:

a. Receive the Bi-Annual Report from the Assessor County Clerk Recorder; and
b. Receive a report on the current year estimated deficit.

SUMMARY/DISCUSSION:

The following is a summary report of Supplemental Assessments for the County of Monterey as of December 31, 2022; a projection for next year’s assessed valuation; and a summary of income generated by the County of Monterey’s Clerk/ Recorder’s Office at the mid-point of Fiscal Year (FY) 2022-2023 leading to a current year estimated \$1.3 million deficit and steps being taken to address the impacts.

As of January 19, 2023 the Monterey County Assessor’s Office had generated 3,721 Supplemental bills with a gross supplemental value of \$1,680,711,603. As of January 20, 2022 the Monterey County Assessor’s Office had generated 3,953 Supplemental Assessments with a gross supplemental value of \$1,849,707,602.

	Average Supplemental		
2007-2008	4,122	\$1,153,782,898	\$279,908
2008-2009	4,023	381,365,198	\$ 94,796
2009-2010	3,882	243,241,016	\$ 62,658
2010-2011	4,588	274,904,424	\$ 59,918
2011-2012	4,717	308,600,807	\$ 65,423
2012-2013	4,937	336,328,705	\$ 68,124
2013-2014	5,163	594,432,725	\$115,133
2014-2015	3,955	777,646,576	\$196,623
2014-2015	4,072	\$1,013,440,117	\$248,880
2015-2016	4,107	911,803,144	\$222,012
2016-2017	4,791	\$1,117,597,559	\$233,270

2017-2018	4,555	\$1,250,246,605	\$274,478
2018-2019	3,682	\$ 844,520,974	\$229,365
2019-2020	3,338	\$1,058,396,647	\$317,075
2020-2021	3,584	\$1,644,286,514	\$458,785
2021-2022	3,953	\$1,849,707,602	\$467,925

As of January 1, 2023 the Local Secured Assessment Roll total for the County of Monterey was \$79,360,714,790 compared to last year's July 1, 2022 value of \$78,814,790,790 **an increase of 2.0%**. The Assessor's Office projects an additional 4,000 anticipated supplemental assessments with a value of approximately \$1,800,000,000 **an increase of 2.25%**.

Revenue and Taxation Code section 51 provides that base year values determined under section 110.1 shall be compounded annually by an inflation factor, not to exceed 2 percent. Section 51(a)(1)(C) provides that, for any assessment year commencing on or after January 1, 1998, the inflation factor shall be the percentage change, rounded to the nearest one-thousandth of 1 percent, from October of the prior fiscal year to October of the current fiscal year in the California Consumer Price Index (CCPI) for all items, as determined by the California Department of Industrial Relations.

For the coming year the inflation factor that will be used is **2.00%**.

Based upon the information above the Assessor now predicts an overall increase of **6.25%** in the assessment roll from 2020-2021 to 2021-2022.

Monterey County Recorder County Clerk

In the FY 2022-2023 Adopted Budget the Monterey County Recorder County Clerk projected \$3,383,351 in revenue. At midyear, actual income generated is \$1,011,722. (See Attachment A)

Documentary Transfer Tax revenue is collected by the Monterey County Recorder but is not reflected in their budget. Through the first 6 months of fiscal year 2022-2023 the County of Monterey Recorder has collected \$2,691,933 in documentary tax. The County of Monterey's share totals \$1,893,179. At midpoint last year the County had received 2,974,881.

The Recorder's Office experienced a 40% decrease in recordings resulting in the decrease in revenue. The decrease in recordings was due to the increase in mortgage rates in 2022 and the general economy. While an increase in mortgages are expected, the nearly 40 basis point increase (4%) in ten months from 2.96% to 5.34% in 2022 was difficult to predict and or anticipated. Total Deed recordings "norm" have always been between 75,000- 95,000, with the exception of 2001-2005 when the economy real estate market crashed.

As a result of the high number of recordings prior to 2022, the Clerk Recorder had surplus revenue for the past three years that were returned to the general fund. The surplus returned to the General Fund: FY 2019, \$737,141; 2020-2021, \$1.97 million and 2021-2022, a total of \$320,000. These surplus funds helped fund other departments financial deficits that the Assessor, Clerk-Recorder faces today. As a result of the unexpected multiple interest rate increases causing a decrease in recordings and increased salaries and benefits, it is the first time that the Assessor, Clerk-Recorder is facing a \$1.3 million deficit.

In accordance with the county's financial policies, the department is report to the Budget Committee to provide more details about the steps the department is taking to address the impacts of the estimated deficit in the current fiscal year.

In an effort to mitigate some of the deficit, the Department has delayed filling vacant positions and have gone through all expenses and reducing were ever possible. The Department has contacted other counties and all are experiencing decreases some larger and some smaller.

FINANCING

There is no financial impact related to the receipt of this report. The Department will continue to keep the CAO -Budget staff informed.

Prepared by:

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755-5874

Attachment:
Monterey County Clerk/Recorder Fee Report FY 2022-2023