



County of Monterey

Item No.16

Board Report

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Legistar File Number: 25-509

June 24, 2025

Introduced: 6/20/2025

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Adopt Corrected Tax Rates for the Gonzales Unified School District calculated by the Auditor-Controller for Fiscal Years 2021-22, 2022-23, 2023-24, and 2024-25; and

Authorize the execution and implementation of the tax bill corrections for Gonzales Unified School District for Fiscal Years 2021-22, 2022-23, 2023-24, and 2024-25 and ratification of actions with respect to the tax bills correction process.

RECOMMENDATION:

It is recommended that the Board of Supervisors adopt a resolution to:

- a. Adopt Corrected Tax Rates for the Gonzales Unified School District calculated by the Auditor-Controller for Fiscal Years 2021-22, 2022-23, 2023-24, and 2024-25.
- b. Authorize the execution and implementation of the tax bill corrections for Gonzales Unified School District for Fiscal Years 2021-22, 2022-23, 2023-24, and 2024-25 and ratification of actions with respect to the tax bills correction process.

SUMMARY/DISCUSSION:

Pursuant to California Government Code Section 29100, the Board of Supervisors annually adopt tax rates for the secured property tax roll on or before October 3rd. While Article XIII A of the California Constitution limits the general property tax rate for local agencies to 1% of assessed value, additional tax rates may be levied to pay for voter-approved bonds.

The Gonzales Unified School District (GUSD) has two areas for issuance and repayment of bond indebtedness: a districtwide area and a School Facilities Improvement District (SFID) area within the larger districtwide area. An administrative error in the bond repayment tax rate calculation was recently discovered by the Auditor-Controller's Office. Due to this error, the GUSD bond tax rate was not levied in the districtwide area, and the SFID area was over-levied from Fiscal Year 2021-2022 through 2024-25. It has been estimated that approximately 2,100 parcels in the SFID were overcharged and approximately 850 parcels in the greater GUSD were undercharged. The details of the estimated impact to those parcels are provided in the attached, Appendix A.

To correct this, bond repayment tax rates for the impacted districtwide and SFID tax jurisdictions have been recalculated. The attached, Appendix B, reflects the corrected roll tax rates for both jurisdictions. The County will implement a correction process by issuing property tax bills for the under-levied parcels and issuing refunds for the over-levied parcels. County will begin issuing FY

2021-22 bills for under-levied parcels before June 30, 2025.

Eligible taxpayers may apply for an installment plan allowing repayment over a four-year period pursuant to Revenue and Taxation Code 4837.5 provided the additional tax due is over \$500, all other taxes due on the current tax roll are paid on time and the taxpayer enters a payment plan with the Treasurer-Tax Collector's Office (TTC).

Ratification and approval of correction to the tax rates are requested.

To prevent this type of error in the future, the ACO has implemented necessary additional steps including a thorough review of the bond tax rate calculation and reconciliation process, enhancing coordination with school districts and bond consultants during the tax levy process and retraining staff on comprehensive bond review procedures.

OTHER AGENCY INVOLVEMENT:

The Auditor-Controller's Office is working closely with the Treasurer-Tax Collector's Office to ensure the corrected bills are printed and mailed out.

The TTC anticipates having a financial impact in the current year and the next four fiscal years related to a sustained commitment of staff resources to manage the correction and potential payment plan participation, which represents an increase over the current payment plan workflow from approximately 30 payment plans each year to approximately 1,200. Additionally, the TTC anticipates needing to divert resources from existing tasks to ensure prompt mailing of the corrected property tax bills and to review the assessments eligible for refunds prior to issuance. The Office of County Counsel has reviewed and approved this report as to form.

FINANCING:

An estimated cost of the correction process by the property tax software vendor of \$5,000 will be absorbed in the Auditor-Controller's FY 2024-25 budget. Additionally, TTC is anticipated to incur bill printing and mailing cost of about \$5,000. Any additional financial impact to the County is unknown at this time.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

The corrected roll tax rates align with the Board of Supervisors' Strategic Initiatives for Administration. These adjustments to the debt service tax rates will address the error of not levying a tax rate and will facilitate the refunding of overpayment for the GUSD area.

Mark a check to the related Board of Supervisors Strategic Initiatives

☐ Economic Development

☒ Administration

☐ Health & Human Services

☐ Infrastructure

☐ Public Safety

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Prepared by: Jennifer Forsyth, Auditor-Controller Analyst II, 755-5286

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Approved by: Rupa Shah, CPA, Auditor-Controller, 755-5084

Attachments:

Board Report

Appendix A - Summary of Impacted Parcels

Appendix B - Corrected Roll Tax Rate for Gonzales Unified School District