

Property Tax Reform

for Monterey County Supervisors

Santa Cruz County Supervisor Manu Koenig 4/10/2024



Problem: Insufficient funds to respond to natural disasters



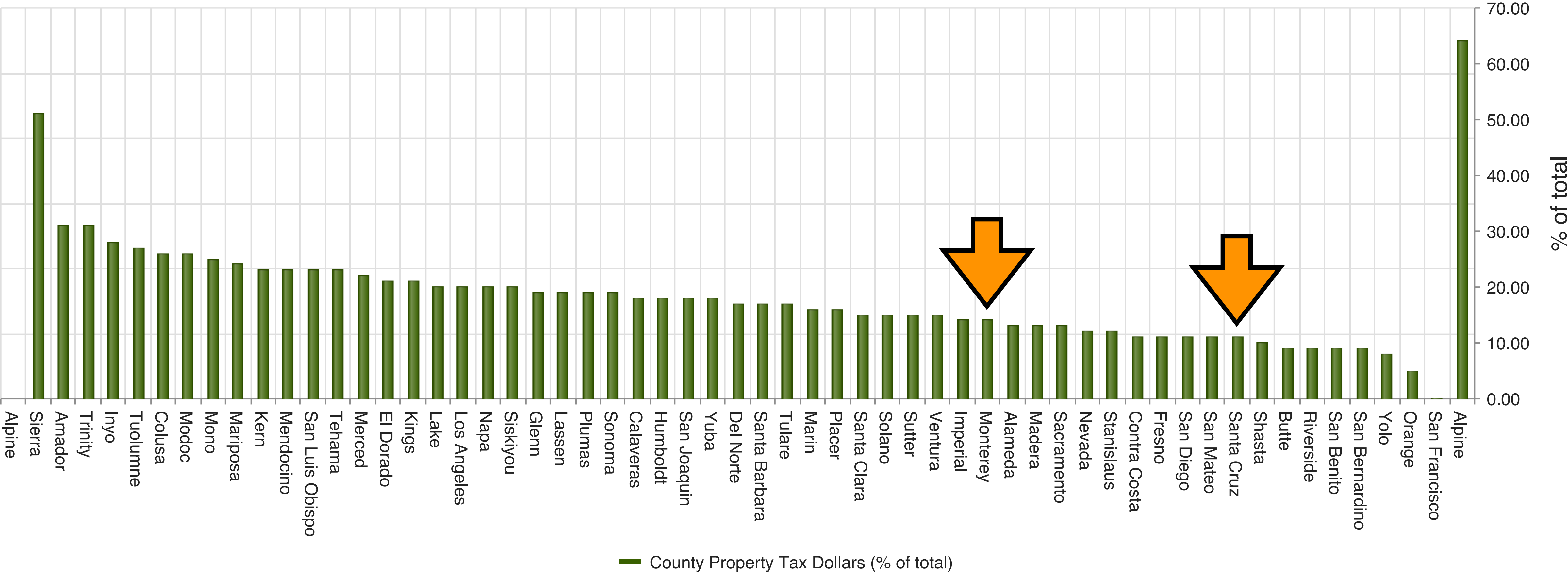
Problem: No stable funding to address homelessness



Why don't we have enough money? County % Property Tax Allocations

Note, these percentages are before a Redevelopment passthrough gets added on. However, they provide the best direct comparison between counties statewide.

Property Tax Allocations (Table 14, 15)

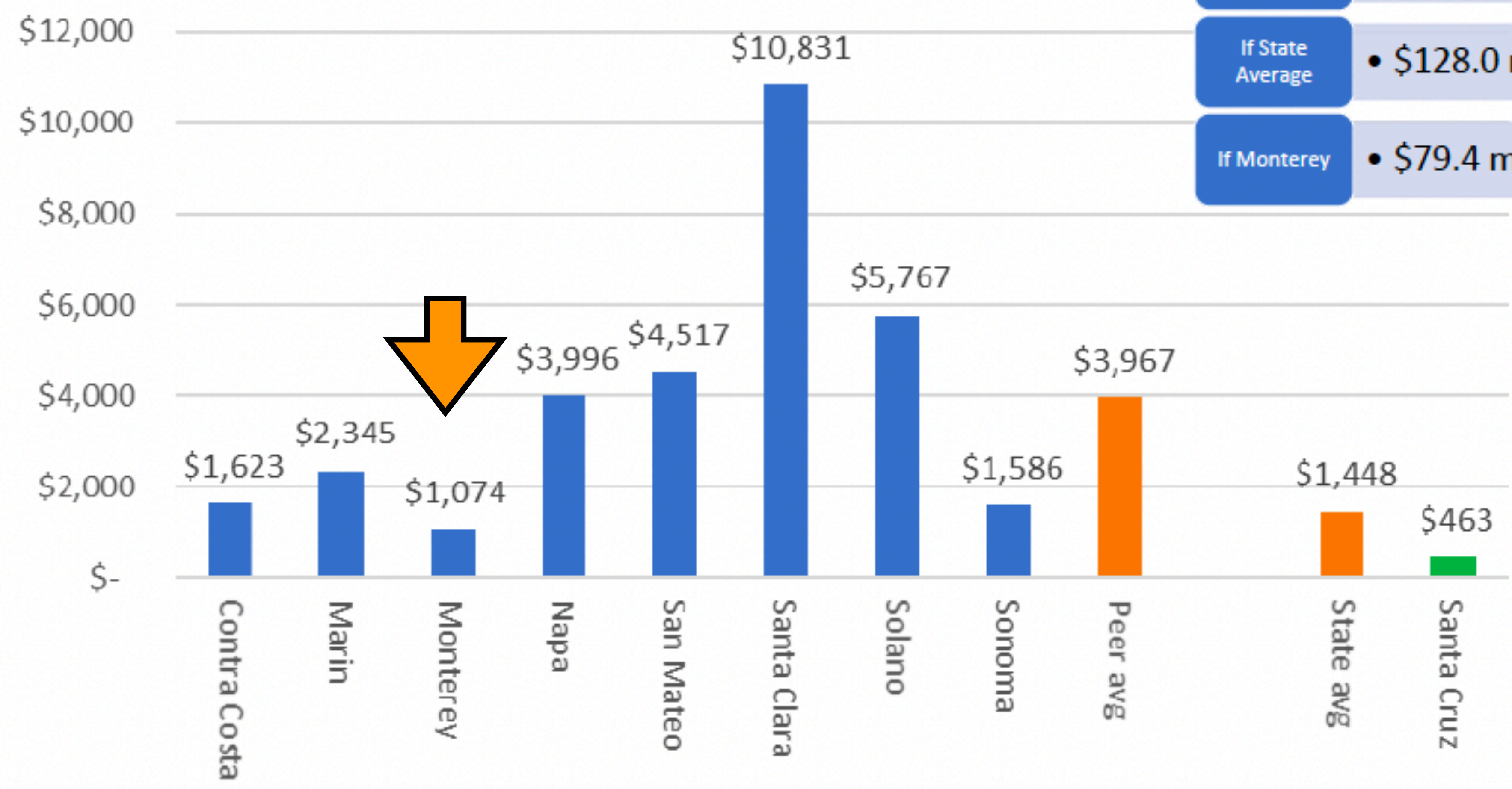


<https://www.boe.ca.gov/dataportal/charts.htm?url=PropTaxGenPropTaxLevies>

We are 3 to 10 times lower in Property Tax

How much more annually would we have if we were funded to:

- If County Peer Average • \$455.5 million
- If Sonoma • \$145.9 million
- If State Average • \$128.0 million
- If Monterey • \$79.4 million



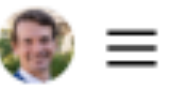
What Santa Cruz is Doing

On October 17th, 2023 the **Santa Cruz County Board of Supervisors** approved a **resolution** finding that:

"the current property tax apportionment law of the State of California is inadequate and unsustainable for the County of Santa Cruz" and requesting our representatives in the State Legislature *"do everything possible to change [it]."*

https://santacruzcountyca.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=None&MeetingID=1990&MediaPosition=2036.735&ID=15173&CssClass=

change.org



Demand Equitable Property Tax Allocations for Santa Cruz County

Started

October 24, 2023

850

Signatures

1,000

Next Goal

<https://bit.ly/fix-scc-roads>



MANU KOENIG
1ST DISTRICT SUPERVISOR

Legislature Already Committed to Reform

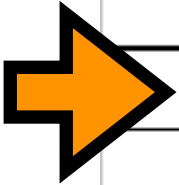
In Chapter 94, Statutes of 1999 (**AB 676, Brewer**), the Legislature declared the ***existing property tax allocation system to be “serious flawed”*** and stated its intent to revamp the system in order to: (1) increase taxpayer knowledge, (2) provide greater local control, and (3) correct the skewed land use incentives faced by local governments.

The screenshot shows the homepage of the Legislative Analyst's Office (LAO). The header includes the LAO logo and the text "Legislative Analyst's Office" and "The California Legislature's Nonpartisan Fiscal and Policy Advisor". A navigation menu includes links for Home, Policy Areas, Publications, The Budget, Propositions and Initiatives, Staff, Careers, and About Us. A search bar is located on the right. The main content area features a report titled "Reconsidering AB 8: Exploring Alternative Ways to Allocate Property Taxes" dated February 3, 2000. The report description states: "In 1999 the Legislature stated its intent to revamp the property tax allocation system. We examine five alternatives for improving local finance." The page also includes sidebars for "LAO PRODUCTS" (Publications, Ballot/Initiative Analyses, Videos, Economy & Taxes Blog) and "Recurring Reports" (Analysis of the Budget, Overview of the Governor's Budget, Overview of the May Revision, Supplemental Language Report). A "REPORTS BY POLICY AREA" sidebar lists various categories like Capital Outlay, Infrastructure, Criminal Justice, etc.



Majority of the State's Population Lives in Underfunded Counties

Rank	County	Assessed Value in Total County	Assessed Value in Unincorporated Area of County	% of Assess Value in Unincorp Area	Current Secured Tax in Total County (Approx 1% of Assessed Value)	Property Tax Revenue to Each County General Fund	% of Property Taxes to County General Fund	Population	% of State
35	Placer	\$57,654,914,123	\$24,073,478,293	42%	\$576,549,141	\$106,660,017	18%	412,300	1.05%
36	Sacramento	\$133,720,620,425	\$51,232,167,533	38%	\$1,337,206,204	\$243,718,027	18%	1,589,000	4.05%
37	Solano	\$46,415,656,374	\$4,282,430,557	9%	\$464,156,564	\$83,561,943	18%	451,716	1.15%
38	Sutter	\$8,557,086,219	\$3,369,622,722	39%	\$85,570,862	\$14,190,857	17%	99,063	0.25%
39	Ventura	\$103,943,537,873	\$18,151,131,132	17%	\$1,039,435,379	\$179,882,104	17%	839,784	2.14%
40	Santa Clara	\$284,970,470,989	\$17,024,364,197	6%	\$2,849,704,710	\$472,462,911	17%	1,886,000	4.81%
41	Monterey	\$51,579,833,274	\$24,852,472,816	48%	\$515,798,333	\$80,336,213	16%	437,325	1.11%
42	Alameda	\$193,743,077,525	\$16,865,600,751	9%	\$1,937,430,775	\$308,966,582	16%	1,649,000	4.20%
43	Madera	\$11,498,382,317	\$7,968,265,087	69%	\$114,983,823	\$17,090,950	15%	159,410	0.41%
44	Nevada	\$15,973,938,406	\$9,003,068,398	56%	\$159,739,384	\$23,201,834	15%	103,487	0.26%
45	San Benito	\$6,743,893,879	\$3,307,793,345	49%	\$67,438,939	\$10,197,871	15%	66,677	0.17%
46	Imperial	\$10,233,444,219	\$4,441,356,439	43%	\$102,334,442	\$15,573,556	15%	179,851	0.46%
47	San Mateo	\$132,938,103,700	\$15,062,996,389	11%	\$1,329,381,037	\$194,580,936	15%	737,888	1.88%
48	Shasta	\$15,627,392,486	\$6,652,606,928	43%	\$156,273,925	\$21,775,328	14%	182,139	0.46%
49	Fresno	\$61,749,354,583	\$18,500,755,329	30%	\$617,493,546	\$87,862,914	14%	1,014,000	2.58%
50	San Diego	\$386,925,410,225	\$66,418,897,263	17%	\$3,869,254,102	\$538,210,653	14%	3,286,000	8.37%
51	Santa Cruz	\$33,343,349,993	\$19,298,384,687	58%	\$333,433,500	\$43,479,178	13%	267,792	0.68%
52	Contra Costa	\$157,920,334,029	\$33,653,810,090	21%	\$1,579,203,340	\$205,375,072	13%	1,161,000	2.96%
53	Butte	\$18,044,023,347	\$7,924,677,565	44%	\$180,440,233	\$22,403,675	12%	208,309	0.53%
54	Riverside	\$237,388,487,198	\$64,320,178,778	27%	\$2,373,884,872	\$295,114,987	12%	2,458,000	6.26%
55	Stanislaus	\$42,782,371,241	\$11,889,211,491	28%	\$427,823,712	\$47,776,722	11%	552,999	1.41%
56	San Bernardino	\$176,135,269,285	\$32,054,356,100	18%	\$1,761,352,693	\$199,566,283	11%	2,195,000	5.59%
57	Yolo	\$20,115,181,068	\$3,605,069,489	18%	\$201,151,811	\$19,407,148	10%	216,986	0.55%
58	Orange	\$410,016,640,580	\$26,694,742,645	7%	\$4,100,166,406	\$264,470,010	6%	3,168,000	8.07%
	Total in Below Average							23,349,826	59.51%
	State Total							39,240,000	



Next Steps

- **Ask:** Will you pass a Board resolution acknowledging that Monterey County's share of property tax revenues is a problem and requesting that our state representatives take action?
- **Goal:** get the every county in the Central Coast Caucus to pass a resolution
- **Next steps in the legislature:**
 - Request that the LAO update their AB 8 analysis
 - Request that Speaker Rivas form a Select Committee