

EL DORADO COUNTY CALIFORNIA
Chief Administrative Office

August 17, 2009

Memo To: Tim Holcomb, Assessor
Cherie Raffety, Treasurer-Tax Collector
Joe Ham, Auditor-Controller

From: Gayle Erbe-Hamlin, Chief Administrative Officer

Subject: Request to Budget Property Tax Administration Fees in Department Budgets

2009 SEP 18 PM 2:26

RECEIVED
BOARD OF SUPERVISORS
EL DORADO COUNTY

Collectively you have requested I consider budgeting property tax administration revenue directly into your budgets rather than in Department 15. You feel that by doing this the County would most accurately comply with Revenue and Taxation Code section 95.3 (d) as follows:

(d) Any additional amounts of property tax revenue allocated to the county pursuant to this section shall be used only to fund costs incurred by the county in assessing, equalizing, and collecting property taxes, and in allocating property tax revenues, and shall constitute charges for those services, not exceeding the actual and reasonable costs incurred by the county in performing those services.

After discussion with Counsel and upon further review I must decline your request. I agree that it would not be inappropriate to budget these revenues in your budgets however I do not feel that it is inappropriate to budget them in Department 15. In section 95.3 (d) the reference is to the county not to any specific department. As long as each of your department's net county cost either individually or collectively exceeds your cost of property tax administration I believe that we, the county, are meeting the letter of the above code.

In the current fiscal environment, changing how we budget revenues in order to relieve a department of a certain NCC target reduction only causes a shift to another department. In dealing with Tier 3 reductions we have used an across the board general fund target. I know that that target on top of the previous two tiers will be very challenging for all departments. Rather than reorganizing how we budget our revenue I would rather see departments work with my office to outline for the Board the impact of the target on their ability to provide their mandated and required services. If the department does all it can to meet the target and has determined the target is not achievable, they can lay out what

their service delivery challenges are and how meeting the target would significantly compromise service delivery. The Board has stated on a number of occasions their concern for service levels in departments. The Board has given me direction to provide an analysis of the impact of the budget reductions on service levels at the September Final Budget Hearings. My staff and I are available to meet with you to discuss your service challenges. Please let me know if you wish to discuss this issue further.