

**AGREEMENT FOR PARTICIPATION IN THE STATE-COUNTY  
PROPERTY TAX ADMINISTRATION GRANT PROGRAM**

This Agreement is entered into this \_\_\_\_\_ day of May, 2004 by and between the COUNTY OF SAN MATEO (COUNTY), a political subdivision of the State of California, and the CALIFORNIA DEPARTMENT OF FINANCE (STATE), an agency of the State of California.

WITNESSETH:

WHEREAS, Revenue and Taxation Code Section 95.35 provides that upon recommendation of the COUNTY's Assessor-County Clerk-Recorder (Assessor), and by resolution of COUNTY's Board of Supervisors, COUNTY may elect to participate in the State-County Property Tax Administration Grant Program, administered by STATE; and

WHEREAS, the Assessor has consulted with COUNTY's Tax Collector and COUNTY's Auditor-Controller (Controller) to discuss the needs of the Property Tax Administration Grant Program during the term of this Agreement; and

WHEREAS, in order to participate in the State-County Property Tax Administration Grant Program, COUNTY must enter into an agreement with STATE;

NOW, THEREFORE, the parties hereby agree as follows:

1. PERIOD OF AGREEMENT

This Agreement shall commence upon the date of execution by both parties and shall expire one year from that date.

2. GRANT AMOUNT

STATE agrees to make available to COUNTY a grant in the amount of \$ 2,220,001 for fiscal year 2003-04.

3. COUNTY REQUIREMENTS

COUNTY agrees to use the funds received from STATE to enhance COUNTY's property tax administration system. COUNTY agrees not to use the funds to supplant the Assessor's base year level of funding. COUNTY understands and agrees that in order for COUNTY to be eligible to participate in this State-County Property Tax Administration Grant Program, it must maintain a specified base staffing, including contract staff, and a specified total funding level for the Assessor, independent of the grant proceeds provided pursuant to this Program, equal to the levels in the 1994-95 fiscal year exclusive of the amounts provided to the Assessor pursuant to item 9100-102-001 of the Budget Act of 1994. In a county in which the 1994-95 fiscal year funding level for the Assessor's office was higher than the 1993-94 fiscal year level, the 1993-94 fiscal year staffing and funding levels shall be considered the base year for purposes of this section.

The 1994-95 fiscal year base funding and staffing levels, as determined by the Assessor and COUNTY's County Manager, which shall be deemed to satisfy this requirement, are as follows:

Gross Appropriation .....	\$ 5,088,678
Total Budgeted Positions.....	70
Additional Contract Positions.....	0

4. RECEIPT OF FUNDING

In fiscal year 2003-04, COUNTY shall receive payment of \$ 2,220,001 within thirty (30) days after the approval of this Agreement by both parties. To participate in the program in fiscal years 2004-05 through 2006-07, COUNTY is required to provide to STATE written notice of intent to participate. The notice will specify the amount of the grant request and shall be signed by COUNTY's Project Director and County Manager.

STATE shall make payment of the approved grant amount within thirty (30) days after receipt of the Controller's verified calculations establishing that COUNTY has satisfied its prior year performance requirements as specified in Section 5.

5. SATISFACTORY PERFORMANCE

COUNTY is deemed to have satisfactorily met its performance requirements where the result of the following computations is equal to or exceeds the grant amount received by COUNTY:

(a) Beginning with the fiscal year 2002-03 roll closure and annually thereafter, COUNTY shall (1) compute, to the extent possible, the total value change in the following categories; and (2) add all secured and unsecured personal property and fixture values:

- Transfers
- New construction
- Supplemental value added (estimated at 50% of transfer and new construction values)
- Mandatory and non-mandatory audits
- Proposition 8 restorations
- Assessment appeals values (the difference between the taxpayer's opinion of value and the assessment appeals board's determinations of value finalized during that fiscal year).

(b) The total of 5(a) shall be multiplied by a tax rate of one percent to estimate the total property tax revenue impact of these components.

(c) This revenue amount shall be factored by the percentage which is derived when dividing the grant amount by the Assessor's annual total budget.

(d) This amount is then factored by the percentage of the schools' share of added revenue.

Where this final result, the schools' share of added revenue, is equal to or greater than the grant amount to COUNTY, COUNTY's performance under this contract shall be deemed met.

6. RENEGOTIATION OF THE DEFINITION OF SATISFACTORY PERFORMANCE

At the request of COUNTY, STATE agrees to renegotiate in good faith the definition of satisfactory performance as specified in Section 5, if there is any major misfortune or calamity occurring in the county affecting one percent or more of the assessable parcels in the county.

7. PROPOSED USE OF GRANT

COUNTY agrees to use the funds received from STATE to fund appraisal, clerical and support positions, overtime as needed, and to enhance its property tax administration system, as specified in Exhibit A.

It is understood and agreed that funds received by COUNTY, including accrued interest, pursuant to this program shall be deposited into the Property Tax Administration Program trust fund to be used as required by Revenue and Taxation Code Section 95.35. Any funds remaining in the account at the end of each annual term may be rolled over to the next fiscal year for authorized uses consistent with the provisions of Section 95.35.

It is also understood that upon satisfaction of the terms set forth in Section 5 for each annual grant, STATE will have no further claim on these funds provided COUNTY continues to meet the requirements stipulated in Section 3.

However, in the event that COUNTY has not expended all of the grant proceeds, COUNTY may, at its option, return to STATE all or a portion of any unspent grant proceeds.

8. FAILURE TO MEET SATISFACTORY PERFORMANCE REQUIREMENTS

STATE is not obligated to make the grant in fiscal years 2004-05 through 2006-07 if COUNTY has not satisfied its performance requirements as established in Section 5, or renegotiated the definition of satisfactory performance.

STATE may make a grant in any year of this program in a lesser amount than that requested by COUNTY if STATE determines that COUNTY would be unable to fully meet its performance requirements as established in Section 5.

9. REPORTING CRITERIA

COUNTY will also provide to STATE, by January 15 of the following fiscal year, a report showing the schools' share of added revenue as calculated in Section 5.

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10. PROJECT RESPONSIBILITY—COUNTY

COUNTY will provide a Project Director who will be responsible for ensuring the objectives under this Agreement are met. The Project Director will monitor COUNTY performance.

COUNTY's Project Director will serve as liaison with STATE's Project Director on an as-needed basis.

COUNTY's Project Director shall provide direction to STATE in the areas relating to COUNTY policy, and information and procedural requirements.

COUNTY's Project Director for this Agreement shall be:

Terrence R. Flinn, Deputy Assessor-County Clerk-Recorder  
San Mateo County Assessor-County Clerk-Recorder  
555 County Center, Floor 3  
Redwood City CA 94063  
(650) 599-1271

COUNTY shall notify STATE in writing of any change in the name or address of COUNTY's Project Director.

11. PROJECT RESPONSIBILITY—STATE

STATE will provide a Project Director who will be responsible for STATE performance under this Agreement. The Project Director shall be a full-time employee of STATE.

STATE's Project Director for this Agreement will be:

Connie Squires, Program Budget Manager  
California Department of Finance  
Local Government Unit  
915 L. Street  
Sacramento, CA 95814  
(916) 322-2263

STATE's Project Director will serve as liaison with COUNTY's Project Director on an as-needed basis.

STATE shall notify the COUNTY in writing of any changes in the name or address of STATE's Project Director.

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12. EXCLUSIVE AGREEMENT

This Agreement constitutes the complete and exclusive statement of understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

13. CHANGES AND AMENDMENTS

COUNTY and STATE reserve the right to change any portion of the work required under this Agreement or to amend such other items and conditions as it may become necessary. Any such revisions shall be accomplished only with the written approval of the Assessor, COUNTY, and STATE.

14. NOTICES

All notices or demands required or permitted to be given or made hereunder shall be in writing and shall be deemed to have been given if made by hand delivery with signed receipt, or as shown on the receipt when mailed by first-class, registered, or certified mail, postage pre-paid, addressed to COUNTY and STATE at their respective addresses designated below or at such other address as COUNTY or STATE shall have furnished in writing to the other.

The designated addresses of respective parties for the purpose of notice are as follows:

COUNTY:

County of San Mateo  
Assessor-County Clerk-Recorder  
Attn: Terrence R. Flinn  
Deputy Assessor-County Clerk-Recorder  
555 County Center, Floor 3  
Redwood City CA 94063

County of San Mateo  
Office of the County Manager  
Attn: Reyna Farrales, Deputy County Manager  
400 County Center  
Redwood City, CA 94063

STATE:

State of California  
Department of Finance  
Attn: Connie Squires  
Program Budget Manager  
915 L Street  
Sacramento, CA 95814

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IN WITNESS WHEREOF:

COUNTY's Board of Supervisors has caused this Agreement to be subscribed by the President and the seal of said Board to be hereto affixed and attested by the Clerk hereof, and STATE has caused this Agreement to be signed by its duly authorized officer this 4<sup>th</sup> day of May, 2004.

CALIFORNIA DEPARTMENT OF FINANCE      COUNTY OF SAN MATEO

By: \_\_\_\_\_  
Connie Squires  
Program Budget Manager

By: \_\_\_\_\_  
Mark Church  
President, Board of Supervisors

APPROVED AS TO FORM BY COUNTY COUNSEL:

Thomas F. Casey III

By: \_\_\_\_\_  
Deputy John Nibbelin

**EXHIBIT A**  
**BUDGET FOR STATE-COUNTY PROPERTY TAX ADMINISTRATION**  
**GRANT PROGRAM FOR FY 2003-04**  
**(Performance Year: July 1, 2003 – June 30, 2004)**

**PROGRAM PROCEEDS**

Carry Over from FY 2002-03 Loan Program: .....	\$ 303,679
Program Grant for FY 2003-04 .....	<u>\$ 2,220,001</u>
<b>Total Program Proceeds:</b>	<b>\$ 2,523,680</b>

**PROPOSED USES OF GRANT PROCEEDS**

**Staffing:**

Extra Help Office Assistants/Specialist .....	\$ 219,669
Extra Help Property Assistant .....	\$ 34,757
Extra Help Auditors and Appraisers .....	\$ 584,816
Information Technology Manager (Permanent) .....	\$ 120,000
Staff Attorney for Appeals Board and Litigation .....	\$ 0
Expert Witness (Genentech & Airlines) .....	<u>\$ 82,991</u>
<b>Sub-Total Staffing:</b>	<b>\$ 1,042,233</b>

**Systems and Processing Automation:**

Appraisal System Contract Services .....	\$ 144,132
Supplemental Property Improvement Project .....	\$ 456,629
Database Administrator (Information Services Dept.) (ISD) .....	\$ 202,000
Geographic Information System (GIS) Maintenance with ISD .....	\$ 55,364
Geographic Information System Upgrade .....	\$ 22,350
Other ISD Maintenance Charges .....	\$ 149,214
Assessment Appeals Board .....	<u>\$ 72,414</u>
<b>Sub-Total Systems &amp; Processing:</b>	<b>\$ 1,102,103</b>

**Office Services, Supplies, and Expenses:**

Equipment and Software .....	\$ 90,482
Services, Supplies, and Miscellaneous .....	\$ 38,862
Professional Training .....	<u>\$ 50,000</u>
<b>Sub-Total Service, Supplies and Expenses:</b>	<b>\$ 179,344</b>

**Estimated Carry Over to FY 2004-05:**

Assessment System/GIS Enhancements .....	<u>\$ 200,000</u>
<b>Grand Total:</b>	<b>\$ 2,523,680</b>