




**COUNTY OF SAN MATEO**  
Inter-Departmental Correspondence

Controller's Office

DATE: 4/2/09  
BOARD MEETING DATE: 4/28/09  
SPECIAL NOTICE/HEARING: None  
VOTE REQUIRED: Majority

**TO:** Honorable Board of Supervisors  
**FROM:** Kanchan Charan, Deputy Controller   
**SUBJECT:** Approval of Modifications to the Compensation Schedule for the County's Collection of Special Taxes

**RECOMMENDATION:**

Adopt a resolution approving the modification of the compensation schedule set forth in the Agreements for Compensation to County of San Mateo for Collection of Special Taxes with cities and special districts for FY 2009/10.

**VISION ALIGNMENT:**

**Commitment:** Responsive, effective and collaborative government

**Goal:** This action will contribute to the County's Shared Vision 2010 goal number 20 that government decisions are based on careful consideration of future impact, rather than temporary relief or immediate gain.

**Performance Measure:**

Measure	FY 2007-08 Actual	FY 2008-09 Target
Net County Cost as a percentage of Program Total Requirements	-24.34%	-24.00%

**BACKGROUND:**

Currently, as a service to cities and special districts, the County collects certain special taxes through the countywide property tax bill. Special taxes are charges which do not require a direct benefit to the real property (e.g., libraries and parks). In exchange for collecting such special taxes, the County is compensated pursuant to agreements with each of the affected cities and special districts. The current compensation schedule for the collection of special taxes was updated

by the Board of Supervisors prior to the FY 2003/04, and is as follows:

- (a) \$ 1.25 per transaction if input data is in electronic format
- (b) \$ 1.75 per transaction if input data is in paper format. Beginning FY 2003-04 all transactions from cities and special districts were required to be submitted in electronic format.
- (c) \$25 per transaction for each change after the tax roll has been prepared.
- (d) Any city or special district, whose fees amount to \$10.00 or less will be waived due its immaterial fiscal impact.

Prior to 2003, the schedule of charges had not been changed since 1980.

**DISCUSSION:**

Although the County's processing costs have risen since the FY 2003/04, the County has not correspondingly modified its compensation schedule. The Controller estimates that, if the County had increased the compensation schedule each year based on the County's internal service rates, then the service charges to be collected by the County for FY 2009/10 would be \$35,591 greater than the amounts to be collected under the FY 2003/04 compensation schedule.

Per the terms of the current agreements, the Office of the Controller notified each of the affected cities and special districts on March 27, 2009, of the following proposed modifications to the County's compensation schedule:

\$1.35 per transaction if submitted in electronic format (diskette, CD, magnetic tape, or electronic mail), unless fees collected are 5%, or more of total charges in which case the rate will be \$.33 per transaction.

\$25 per transaction for each correction after the tax roll has been prepared.

Any city or special district whose fees amount to \$10.00 or less will be waived due to its immaterial fiscal impact.

None of the affected cities or special districts has indicated disagreement with the proposed modifications and the Office of the Controller recommends that the Board of Supervisors approve such modifications to the compensation schedule. Consistent with the procedures undertaken to modify the compensation schedule in 2003, the Controller will negotiate an approved forms of agreement with the cities and special districts and present such agreements for the Board's approval in June 2009. County Counsel has reviewed and approved the resolution.

**FISCAL IMPACT:**

Using the new rates, we estimate a revenue increase of approximately \$16,962 which would be used to support the property tax administration functions.