



Board Agenda Item 31

DATE: February 10, 2026

TO: Board of Supervisors

SUBMITTED BY: Oscar J. Garcia, CPA, Auditor-Controller/Treasurer-Tax Collector

SUBJECT: Distribution of State Highway Rental Property Revenue

RECOMMENDED ACTION(S):

Authorize the Auditor-Controller/Treasurer-Tax Collector to distribute \$10,791.79 in State Highway Rental Property revenues received for Fiscal Year 2024-25 in accordance with Streets and Highways Code section 104.10.

The Auditor-Controller/Treasurer-Tax Collector is obligated to distribute State Highway Rental Property revenues received in amounts approved by the Board of Supervisors. There is no Net County Cost associated with the recommended action. This item is countywide.

ALTERNATIVE ACTION(S):

Streets and Highways Code section 104.10 requires the Board to approve the distribution of State Highway Rental Property revenues, subject to the requirements of that section. If your Board does not approve a distribution, the revenues received will not be disbursed. Staff would then seek direction from your Board regarding the distribution and would return to your Board to recommend a different distribution.

FISCAL IMPACT:

There is no Net County Cost associated with this item. A portion of the revenue will be distributed to the Road Fund (0010) in the Public Works Department (Org. 4510).

DISCUSSION:

The State Department of Transportation acquires real property for future State highway purposes and then leases it to other parties. The State pays the rents computed pursuant to State and Highways Code section 104.6 to the county in which such properties is situated. Then the Auditor-Controller/Treasurer-Tax Collector is obligated to distribute that revenue in the amounts determined by the Board, subject to the requirements of Streets and Highways Code section 104.10, to cities within the County, and to the County.

The total amount of rental income received and available for distribution is \$10,791.79. That amount represents revenue received for Fiscal Year 2024-25. Attached is the schedule for the allocation of the revenues, in compliance with the Streets and Highways Code section 104.10. That section requires a minimum of 50% of the amount collected from State Highway Rental Property within a city to be apportioned back to that city.

For the apportionment of State Highway Rental Property revenue that remains after satisfying the requirements of Streets and Highways Code section 104.10, the Auditor-Controller/Treasurer-Tax Collector

recommends a distribution that is based on Streets and Highways Code section 2106. Section 2106 provides for the distribution of the State's Highway Users Tax based on assessed value and population criteria. The Auditor-Controller/Treasurer-Tax Collector has recommended, and the Board has approved, this method for all distributions of State Highway Rental Property revenue since 1982.

REFERENCE MATERIAL:

BAI #32, March 11, 2025

BAI #28, April 23, 2024

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - State Highway Rental Allocation of 2024-25

CAO ANALYST:

Paige Benavides