



Board Agenda Item 31

DATE: May 8, 2018

TO: Board of Supervisors

SUBMITTED BY: Jean M. Rousseau, County Administrative Officer

SUBJECT: Budget Resolution to Fund Reimbursement of Prior Year Property Tax Administration Program (PTAP) Fund Encumbrances

RECOMMENDED ACTION(S):

- 1. Adopt Budget Resolution increasing FY 2017-18 appropriations for Interest and Miscellaneous Expenditures Org 2540 in the amount of \$190,312, using available Fund Balance in the General Fund, to allow for the reimbursement of prior year unspent Assessor encumbrances from the General Fund to the Assessor-Recorder Special Revenue Fund 0035 Property Tax Administration Program (PTAP) Org 1040 (4/5 vote); and**
- 2. Adopt Budget Resolution increasing FY 2017-18 estimated revenues for Assessor-Recorder Special Revenue Fund 0035 PTAP Org 1040 (4/5 vote).**

This recommended action will increase appropriations to allow for the reimbursement of prior year unspent PTAP encumbrances from the General Fund to the Assessor-Recorder Special Revenue Fund. This item is countywide.

ALTERNATIVE ACTION(S):

There are no alternatives to the recommended action. Approving the reimbursement is necessary to return unspent PTAP funds to the Assessor-Recorder Special Revenue Fund 0035 PTAP Org 1040.

FISCAL IMPACT:

There is an additional \$190,312 of Net County Cost associated with the recommended action. The additional Net County Cost will be funded from Unassigned Fund Balance that the Board has reserved in Fiscal Year (FY) 2017-18 for future Capital Projects in the amount of \$8,000,000. These funds are classified as Unassigned for financial reporting purposes, in compliance with Governmental Accounting Standards Board (GASB) statement 54.

DISCUSSION:

Revenue and Taxation Code §95.35 established the PTAP Fund, also known as Assembly Bill (AB) 818, to allow for eligible counties to maintain an adequately funded system of property tax administration. This legislation extends not only to assessment and maintenance of tax rolls, but also to all aspects of the system which include, but are not limited to, collection, apportionment, allocation, and processing and defending appeals.

For Fiscal Year 2016-17, The Assessor budgeted \$1,196,676 of expenses to be paid from the PTAP Fund.

At year-end, there remained an encumbrance of \$190,312 for planned PTAP expenditures. However, due to delay, those expenditures were not made and the encumbrance was liquidated back into the General Fund.

This transfer of funds from the General Fund to the PTAP Fund will ensure proper accounting procedures are followed. Additionally, the reimbursed PTAP funds will be expended in the current year to cover the actual PTAP expenditures that occurred.

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Budget Resolution Org 2540

On file with Clerk - Budget Resolution Org 1040

CAO ANALYST:

Juan Lopez