



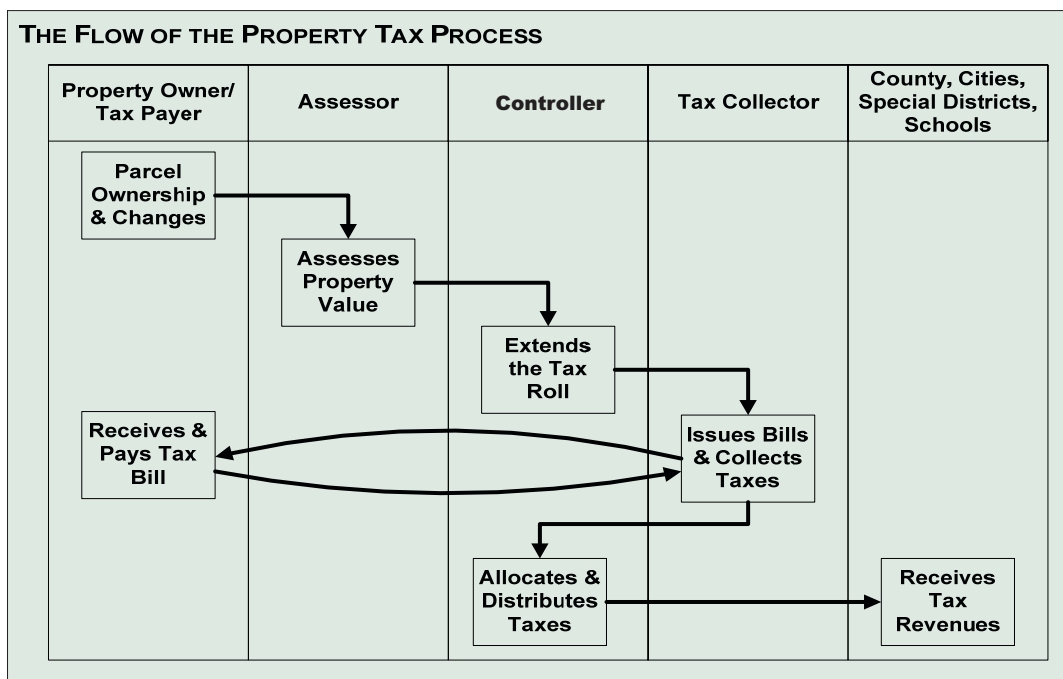
Property Tax Highlights

County of San Mateo

Fiscal Year July 1, 2005 to June 30, 2006

Property Tax Process

Today California schools, counties, cities and special districts depend on property tax as a primary source of revenue. Property tax raised \$1 billion for local governments within the boundaries of San Mateo County during fiscal year 2004-05 and is expected to generate \$1.14 billion for fiscal year 2005-06. The *Property Tax Highlights* is intended to provide an overview of the property tax process in San Mateo County. It includes highlights of current results and a broad description of how the property tax is generated from the taxpayers and distributed to local government agencies. Please visit our website located at www.co.sanmateo.ca.us/controller to view or download copies of the *Property Tax Highlights* and our other publications.



The Proposition 13 property tax initiative approved overwhelmingly by California voters in 1978 is the basis for the current tax process. Proposition 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds. It limits assessed value increases to 2% per year on properties not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel.

Since the passage of Proposition 13, the California legislature and the voters have continually altered, interpreted, and implemented changes in the property tax laws. We hope this publication helps to explain some of the complexities of Proposition 13 and subsequent statutes that govern the property tax process. We welcome your comments and questions, which can be emailed to us at thuening@co.sanmateo.ca.us.

THREE ELECTED COUNTY OFFICIALS PROVIDE MANY OF THE CHECKS AND BALANCES THAT GOVERN THIS TAX PROCESS

Warren Slocum
Assessor-County Clerk-Recorder
(650) 363-4500

Tom Huening, CPA, CPFO
Controller
(650) 363-4777

Lee Buffington
Treasurer-Tax Collector
(650) 363-4142

Parcel Ownership and Taxpayers

Annually, whoever owns taxable property on January 1 (the lien date) becomes liable for property tax based on the value of the property. The assessed value for most property is the prior year's assessed value adjusted for inflation up to 2%. However, if there has been a change in ownership the new assessed value will be the market value of the property that changed ownership. New construction value is added to the property's prior base values.

The owners of property in San Mateo County are responsible for the timely payments of taxes and late penalties can be significant.

| Principal Taxpayers 2005-06 | | | % of Total Assessed Value |
|----------------------------------|--------------------|-------------------------|---------------------------|
| | Type of Business | Assessed Value | |
| United Airlines | Air Transportation | \$ 1,689,351,262 | 1.49% |
| Genentech | Biotechnology | 1,379,552,393 | 1.22% |
| Pacific Gas & Electric | Utility | 1,185,012,208 | 1.05% |
| Oracle | Software | 543,171,175 | 0.48% |
| SBC (Pacific Bell) | Utility | 403,225,012 | 0.36% |
| Sun Microsystems | Software | 344,933,568 | 0.30% |
| Tyco Electronics (Tyco Thermal) | Manufacturing | 307,540,956 | 0.27% |
| Pacific Shores Development | Commercial RE | 271,934,726 | 0.24% |
| American Airlines | Air Transportation | 220,777,158 | 0.20% |
| Slough BTC LLC | Commercial RE | 212,449,795 | 0.19% |
| Total Top 10 Principal Taxpayers | | <u>\$ 6,557,948,253</u> | <u>5.80%</u> |

The top ten taxpayers make up only 5.8% of total valuation. This is an indicator that the County has diversification within its tax base.

The County has 218,137 parcels that include both residential (homes, condos, and apartments) and non-residential (businesses, hotels, retail, etc.) property. Utilities and railroads are valued across multiple parcels. Business personal property (machinery and equipment) is taxable where it has established "permanent status"; while vessels (boats) are assessed where moored, and aircraft are taxed at the location of the airport.

Under Prop 13 similar properties can have substantially different assessed values based on the date of purchase.

Major Reappraisals - Secured Property*

| | | |
|-------------------------------------|------------------|---------------------------|
| 2004-05 Total Assessed Value | | \$ 96,144,424,997 |
| Reason for Change in Appraisal: | | |
| 2% Prop 13 CPI adjustment | \$ 1,942,844,288 | |
| Property Ownership Changes | 5,431,566,582 | |
| New Construction | 611,375,434 | |
| Other | 179,033,764 | 8,164,820,068 |
| 2005-06 Total Assessed Value | | <u>\$ 104,309,245,065</u> |

* Excludes unsecured and unitary properties.

Reappraisal based on ownership changes accounted for the major increase in valuation change last year. New construction was also significant and the 2% inflation adjustment adds significantly to the increase in base value.

Assessor Values Property

The primary responsibility of the County Assessor is to determine taxable value of each property so that each owner is assured of paying the proper amount of property tax for the support of local government. The main categories of taxable property include real property (secured) and business personal property, vessels and aircraft (unsecured). Real property is defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines. Personal property includes items such as machinery, equipment, office tools and supplies. It is important to note that there are numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

| Historical Assessed Value of Property in the County (in billions) | | |
|---|--------------------|------------------|
| Fiscal Year | Assessed Valuation | Percent Increase |
| 78-79 | 14.8 | 4.4% |
| 79-80 | 16.3 | 9.6% |
| 80-81 | 18.1 | 11.4% |
| 81-82 | 20.2 | 11.8% |
| 82-83 | 22.1 | 9.3% |
| 83-84 | 23.9 | 8.0% |
| 84-85 | 26.0 | 8.9% |
| 85-86 | 28.6 | 9.9% |
| 86-87 | 31.6 | 10.5% |
| 87-88 | 34.8 | 10.0% |
| 88-89 | 37.9 | 9.0% |
| 89-90 | 41.7 | 10.0% |
| 90-91 | 46.7 | 12.1% |
| 91-92 | 49.6 | 6.2% |
| 92-93 | 51.9 | 4.5% |
| 93-94 | 54.3 | 4.7% |
| 94-95 | 55.6 | 2.4% |
| 95-96 | 57.2 | 2.9% |
| 96-97 | 58.8 | 2.7% |
| 97-98 | 61.9 | 5.3% |
| 98-99 | 67.1 | 8.4% |
| 99-00 | 72.9 | 8.6% |
| 00-01 | 80.1 | 9.9% |
| 01-02 | 90.1 | 12.5% |
| 02-03 | 95.5 | 5.9% |
| 03-04 | 100.7 | 5.5% |
| 04-05 | 105.5 | 4.8% |
| 05-06 | 113.2 | 7.3% |

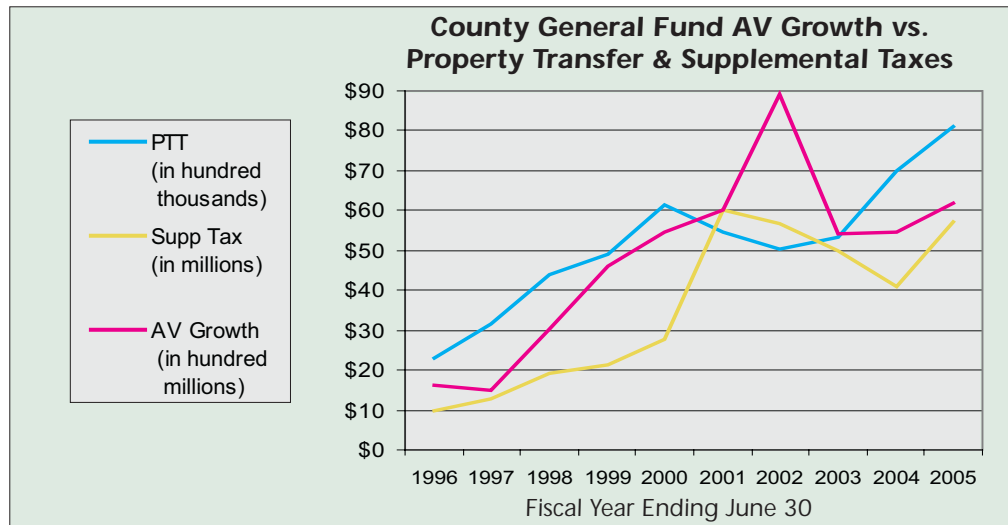
Includes all property (secured and unsecured) net of all exemptions.

Assessed value is determined and enrolled to the person owning it on January 1, which is the tax lien date. As an example, property change in ownership (sales) and new construction (captured from permits) during the prior calendar year 2004 are valued and enrolled as of January 1, 2005. The 2% inflation adjustment is applied along with exemptions and other appraisable events. The net assessed value of \$105.5 billion as of January 1, 2005 is then taxed for the fiscal year July 1, 2005 to June 30, 2006.

Other significant processes include:

- A Supplemental roll places reappraisals into immediate effect on the date of transfer or the new construction completion date rather than waiting for the next lien date; resulting in the capture of tax for a portion of the current fiscal year.
- A Unitary roll contains properties such as railroads and utilities crossing the county and is valued by the State Board of Equalization.
- An assessment appeals process allows taxpayer to dispute values through administrative and judicial processes.

The leading indicators of property tax growth are property transfer tax (PTT) and supplemental property tax (Supp Tax) growth rates, which are trending upward in FY 04-05, reflecting the increase in assessed value (AV) growth.



For more information on the assessment process visit:

www.smcare.org

Controller Prepares Tax Roll

Once the assessed valuation is determined and enrolled by the Assessor, it is delivered to the Controller by July 1. The tax roll is then prepared by the Controller by multiplying the value of each parcel by the 1% tax rate plus the amount necessary to make annual payments on bonds or other indebtedness approved by the voters to finance local facilities. The majority of outstanding bonds in the County are for school facilities.

3-Year Total Tax Levy

| Fiscal Year | Amount |
|-------------|------------------|
| 2003-04 | \$ 1,234,731,658 |
| 2004-05 | 1,250,041,097 |
| 2005-06 | 1,338,522,776 |

In addition, numerous fixed charges approved by voters or permitted by legislation are added to the tax roll (examples include sewer, flood control, and library assessments). This determines the legal liability

per parcel and is passed on to the Tax Collector by September 30.

Since 1978 bonds require a two-thirds super majority vote, and effective January 1, 2001, certain bonds for school facilities can be approved by 55% of voters.

2005-06 Tax Calculation

| | |
|---|---------------------------|
| Secured Value | \$ 104,309,245,065 |
| Unsecured Value | 7,799,981,148 |
| Unitary Value* | 1,046,357,359 |
| Taxable Value (Before exemptions) | \$ 113,155,583,572 |
| Homeowners' Exemptions (State Subvention) | 938,910,036 |
| Total Taxable Value | \$ 114,094,493,608 |
| 1% General Tax Rate | x 1% |
| Property Tax | \$ 1,140,944,936 |
| Bonds | 69,924,839 |
| Fixed Charges & Special Assessments | 127,653,001 |
| Total Tax Levy | \$ 1,338,522,776 |

*Unitary properties (utility and railroad properties that function as a unit) are assessed by the State Board of Equalization.

School District Bonds

| District | Debt Authorized by Voters | Bonds Issued | | Taxes per \$100K Assessed Value |
|-------------------------|---------------------------|--------------------------|-------------------------|---------------------------------|
| | | Amount Originally Issued | Balance as of 6/30/2005 | |
| Elementary | | | | |
| Belmont | \$ 11,720,000 | \$ 11,720,000 | \$ 11,720,000 | \$ 9.81 |
| Brisbane | 10,996,439 | 10,996,439 | 10,996,439 | 28.60 |
| Burlingame | 19,220,000 | 19,220,000 | 17,430,000 | 23.42 |
| Hillsborough | 13,500,000 | 13,500,000 | 12,820,000 | 24.39 |
| Jefferson | 52,000,000 | 52,000,000 | 50,550,000 | 32.38 |
| Las Lomas | 24,000,000 | 24,000,000 | 21,875,000 | 44.83 |
| Pacifica | 30,221,712 | 30,221,712 | 29,576,712 | 23.96 |
| Menlo Park | 21,570,000 | 21,570,000 | 18,880,000 | 23.15 |
| Portola Valley | 23,000,000 | 23,000,000 | 21,745,000 | 53.03 |
| Ravenswood | 16,000,000 | 16,000,000 | 14,725,000 | 32.85 |
| Redwood City | 65,995,163 | 65,995,163 | 61,695,163 | 27.94 |
| San Bruno | 29,999,893 | 29,999,893 | 25,703,567 | 35.25 |
| San Carlos | 21,750,000 | 21,750,000 | 21,665,000 | 29.97 |
| San Mateo/Foster City | 106,305,000 | 106,305,000 | 101,035,000 | 33.00 |
| Woodside | 5,415,000 | 5,415,000 | 5,415,000 | 21.12 |
| High Schools | | | | |
| Jefferson | 27,560,000 | 27,560,000 | 25,185,000 | 16.74 |
| San Mateo | 133,459,950 | 133,459,950 | 133,159,950 | 17.23 |
| Sequoia Union | 174,895,000 | 174,895,000 | 154,775,000 | 16.27 |
| Unified Schools | | | | |
| Cabrillo | 35,000,000 | 34,996,263 | 26,971,263 | 55.60 |
| South San Francisco | 39,999,954 | 39,999,954 | 34,996,893 | 20.38 |
| College District | | | | |
| SMC Community College | 207,000,000 | 166,870,745 | 161,080,745 | 6.44 |

Treasurer-Tax Collector Issues Bills & Collects Taxes

The Tax Collector sends annual secured tax statements (bills) by November 1. The bill can be paid in two installments due November 1 and delinquent after December 10 and due February 1 and delinquent after April 10. (Note that payment due dates are well into the fiscal year July to June, when they become due). Supplemental tax may be billed when there is a change in ownership or when new construction is complete.

Penalties for late payments are significant at 10% for the first installment delinquency, 10% plus \$40 for the second installment delinquency and an additional 1.5% per month beginning the following July 1. After 6 years of taxes being delinquent property can be sold at a tax sale to pay the tax. As a result of the strong property values in San Mateo delinquency rates are among the lowest in the state.

Number of Tax Bills Issued

| Fiscal Year | Secured | Unsecured | Supplemental | Total |
|-------------|---------|-----------|--------------|---------|
| 2003-04 | 214,542 | 19,702 | 23,466 | 257,710 |
| 2004-05 | 215,933 | 19,068 | 20,006 | 255,007 |
| 2005-06 | 215,112 | *TBD | *TBD | *TBD |

* To be determined

Delinquent Tax Payment History

as of June 30th of the Fiscal Year Due

| Fiscal Year | Amount | Rate |
|-------------|--------------|-------|
| 1995-96 | \$ 8,839,764 | 1.87% |
| 1996-97 | 8,528,439 | 1.77% |
| 1997-98 | 6,965,820 | 1.37% |
| 1998-99 | 6,623,683 | 1.21% |
| 1999-00 | 7,803,913 | 1.31% |
| 2000-01 | 9,215,516 | 1.43% |
| 2001-02 | 12,620,007 | 2.02% |
| 2002-03 | 11,399,078 | 1.74% |
| 2003-04 | 13,868,824 | 1.68% |
| 2004-05 | 14,562,265 | 1.64% |

2005-2006 SAN MATEO COUNTY SECURED TAX BILL 2005-2006

FOR FISCAL YEAR BEGINNING JULY 1, 2005 AND ENDING JUNE 30, 2006

| PARCEL NUMBER | TAX RATE AREA | VOLUME |
|---------------|---------------|------------------|
| 028-295-120 | 04-001 | Bill# 268980 045 |

LEGAL DESCRIPTION

LOT 46 BURLINGAME HEIGHTS RSM C/45

SITUS:

1570 CYPRESS AVE BURLINGAME

ASSESSED TO:

TAXPAYER JANE
1570 CYPRESS AVE
BURLINGAME, CA 94010-5238



| ASSESSMENT INFORMATION | VALUES |
|------------------------|---------|
| Land | 582,902 |
| Improvements | 60,000 |
| Fixtures | 0 |
| Personal Property | 0 |
| Full Cash | 642,902 |
| Exemption | 0 |
| Value After Exemption | 642,902 |

| TAXING AGENCY | RATE | AMOUNT |
|-----------------------|---------------|---------|
| GENERAL TAX RATE | 1.0000 | 6429.02 |
| BURLINGAME EL BD | .0204 | 131.16 |
| SAN MATEO HIGH BD | .0174 | 111.86 |
| SM JR COLLEGE BD | .0065 | 41.78 |
| GENERAL TAX TOT | 1.0443 | 6713.82 |
| Burling ESD M 97A & C | (650)259-3814 | 180.00 |
| SMC Mosq Abmnt Dist | (650)344-8592 | 3.74 |
| FedCA&NPDES Storm Fee | (650)599-1417 | 6.06 |
| Tax Payable | | 6903.62 |

STATEMENT PORTION FOR YOUR RECORDS

| | |
|---|---|
| 1 | 2 |
| <p>DUE NOVEMBER 1, 2005 AFTER DECEMBER 10, 2005... ADD 10% PENALTY TO YOUR PAYMENT</p> | <p>DUE FEBRUARY 1, 2006 AFTER APRIL 10, 2006... ADD 10% PENALTY + \$40.00 COST TO YOUR PAYMENT</p> |

- * 65 or older may qualify you for a school parcel tax exemption on your primary residence in FY 2006-07. Contact the District Office at (650)259-3814.
- * Pay Online at www.sanmateocountytaxcollector.org
- * Our records show that you may qualify for a homeowner's exemption. Call 363-4771.

You can now pay your taxes online at:

www.co.sanmateo.ca.us/tax

Controller Distributes Property Taxes

After collection the Tax Collector forwards the taxes to the Controller for apportionment and distribution to all eligible jurisdictions in the County. The law requires the County Controller to allocate the revenue in accordance with specified formulas and procedures as explained on page 12.

Summary of Fiscal Year 2005-06 Incremental Secured, Unsecured & Homeowners Exemptions

| FUND NO | TAXING AGENCY | PRIOR YEAR ACTUAL TAXES NET OF RDA ¹ | CURRENT YEAR TAXES NET OF RDA ² | CURRENT YEAR INCREMENTAL GROWTH \$ | CURRENT YEAR INCREMENTAL GROWTH % | VLF /SWAP FY 05/06 |
|--|------------------------------|---|--|------------------------------------|-----------------------------------|----------------------|
| 00100 | COUNTY -GENERAL FUND | \$ 138,457,495 | \$ 150,976,193 | \$ 12,518,698 | 9.04% | \$ 62,493,225 |
| CITIES AND CITY-MANAGED SPECIAL DISTRICTS | | | | | | |
| 10101 | TOWN OF ATHERTON | \$ 3,199,931 | \$ 3,675,402 | \$ 475,471 | 14.86% | \$ 500,341 |
| 10701 | CITY OF BELMONT | 2,024,922 | 2,210,759 | 185,837 | 9.18% | 1,655,673 |
| 10901 | CITY OF BRISBANE | 1,300,618 | 1,540,751 | 240,133 | 18.46% | 229,677 |
| 11301 | CITY OF BURLINGAME | 7,244,392 | 7,742,624 | 498,232 | 6.88% | 1,832,585 |
| 11801 | TOWN OF COLMA | 42,835 | 48,566 | 5,731 | 13.38% | 91,104 |
| 12301 | CITY OF DALY CITY | 12,042,361 | 12,737,764 | 695,403 | 5.77% | 6,728,319 |
| 74630 | DALY CITY SANI DIST | 1,075,250 | 1,146,798 | 71,548 | 6.65% | - |
| 12701 | CITY OF EAST PALO ALTO | 3,101,913 | 3,515,486 | 413,572 | 13.33% | 2,087,789 |
| 14401 | CITY OF HALF MOON BAY | 925,814 | 1,040,397 | 114,582 | 12.38% | 826,752 |
| 14701 | TOWN OF HILLSBOROUGH | 7,529,989 | 8,077,785 | 547,796 | 7.27% | 707,438 |
| 15701 | CITY OF MENLO PARK | 6,009,816 | 6,430,401 | 420,585 | 7.00% | 1,993,660 |
| 15801 | CITY OF MILLBRAE | 2,790,582 | 3,004,654 | 214,071 | 7.67% | 1,364,850 |
| 16701 | CITY OF PACIFICA | 6,467,336 | 7,010,994 | 543,658 | 8.41% | 2,561,443 |
| 17901 | TOWN OF PORTOLA VALLEY | 577,772 | 624,897 | 47,124 | 8.16% | 292,798 |
| 78707 | PORTOLA VALLEY RANCH RD | 359 | 396 | 37 | 10.25% | - |
| 78740 | WOODSIDE HILAND RD MAINT | 18,377 | 21,051 | 2,674 | 14.55% | - |
| 18401 | REDWOOD CITY AREA #1 | 12,896,767 | 13,605,067 | 708,300 | 5.49% | 4,823,530 |
| 18403 | REDWOOD CITY AREA #3 | 6,340,808 | 6,547,348 | 206,540 | 3.26% | - |
| 18420 | REDWOOD CITY PARKING #1 | 24,074 | 23,652 | (423) | -1.76% | - |
| 18430 | REDWOOD CITY GEN IMP DS I-64 | 526,222 | 548,933 | 22,712 | 4.32% | - |
| 18501 | CITY OF SAN BRUNO | 4,176,112 | 4,469,097 | 292,985 | 7.02% | 2,679,355 |
| 18601 | CITY OF SAN CARLOS | 5,038,021 | 5,399,025 | 361,004 | 7.17% | 1,796,088 |
| 18701 | CITY OF SAN MATEO | 17,459,532 | 18,605,138 | 1,145,605 | 6.56% | 6,004,633 |
| 19401 | CITY OF SO SAN FRANCISCO | 10,426,634 | 11,099,266 | 672,632 | 6.45% | 4,031,510 |
| 19701 | TOWN OF WOODSIDE | 1,220,080 | 1,395,913 | 175,833 | 14.41% | 371,421 |
| 72810 | TOWN CTR SEWER MAINT | 21,511 | 22,716 | 1,205 | 5.60% | - |
| | TOTAL CITIES | \$ 112,482,032 | \$ 120,544,880 | \$ 8,062,848 | 7.17% | \$ 40,578,966 |
| SCHOOL DISTRICTS | | | | | | |
| 30030 | BAYSHORE ELEM | \$ 608,791 | \$ 776,256 | \$ 167,466 | 27.51% | |
| 30070 | BELMONT ELEM | 14,934,904 | 15,748,597 | 813,692 | 5.45% | |
| 30090 | BRISBANE ELEM | 2,539,671 | 2,935,990 | 396,320 | 15.61% | |
| 30130 | BURLINGAME ELEM | 9,132,591 | 9,776,757 | 644,166 | 7.05% | |
| 30470 | HILLSBOROUGH ELEM | 9,326,847 | 10,012,414 | 685,567 | 7.35% | |
| 30480 | JEFFERSON ELEM | 14,877,592 | 15,827,267 | 949,674 | 6.38% | |
| 30520 | PACIFICA SCHOOL DISTRICT | 8,686,470 | 9,334,427 | 647,957 | 7.46% | |
| 30530 | LAS LOMITAS ELEM | 7,304,363 | 8,051,233 | 746,870 | 10.22% | |
| 30570 | MENLO PARK ELEM | 12,231,164 | 13,589,116 | 1,357,952 | 11.10% | |
| 30580 | MILLBRAE ELEM | 8,210,775 | 7,953,955 | (256,820) | -3.13% | |
| 30790 | PORTOLA VALLEY ELEM | 5,488,299 | 6,263,880 | 775,581 | 14.13% | |
| 30830 | RAVENSWOOD ELEM | 4,986,144 | 5,286,672 | 300,527 | 6.03% | |
| 30840 | REDWOOD CITY ELEM | 26,770,125 | 28,617,971 | 1,847,846 | 6.90% | |
| 30850 | SAN BRUNO ELEM | 10,694,878 | 11,493,880 | 799,002 | 7.47% | |
| 30860 | SAN CARLOS ELEM | 9,199,436 | 9,889,516 | 690,081 | 7.50% | |
| 30870 | SAN MATEO-FOSTER CITY ELEM | 38,255,661 | 40,941,944 | 2,686,283 | 7.02% | |
| 30970 | WOODSIDE ELEM | 3,209,054 | 3,514,831 | 305,778 | 9.53% | |
| 40480 | JEFFERSON HIGH SCH | 21,871,615 | 23,753,624 | 1,882,008 | 8.60% | |
| 40870 | SAN MATEO HIGH SCH | 64,766,586 | 68,395,257 | 3,628,671 | 5.60% | |
| 40890 | SEQUOIA HIGH SCH | 60,760,048 | 65,783,592 | 5,023,544 | 8.27% | |
| 50200 | CABRILLO UNIFIED SCH | 13,524,763 | 14,848,748 | 1,323,984 | 9.79% | |
| 50700 | LA HONDA-PESCADERO UNI | 2,205,560 | 2,386,630 | 181,069 | 8.21% | |
| 50940 | SO SAN FRANCISCO UNI | 38,089,014 | 40,453,364 | 2,364,349 | 6.21% | |
| 60870 | SAN MATEO JR COLLEGE | 66,879,600 | 71,639,525 | 4,759,925 | 7.12% | |
| 79994 | COUNTY EDUCATION TAX | 34,804,793 | 37,281,940 | 2,477,147 | 7.12% | |
| 79995 | EDUC REV AUG FUND (ERAF) | 137,819,953 | 148,147,311 | 10,327,359 | 7.49% | |
| | TOTAL SCHOOL DIST. | \$ 627,178,700 | \$ 672,704,698 | \$ 45,525,998 | 7.26% | \$ - |

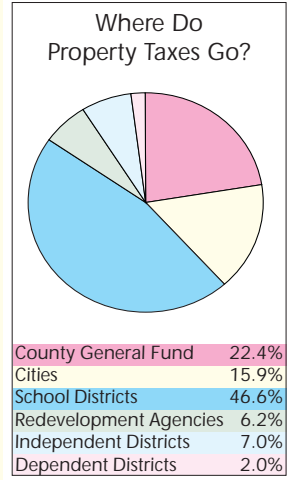
¹ RDAs are Redevelopment Agencies. The prior year taxes in this column include ERAF I and ERAF II amounts.

² The current year taxes in this column are actuals from current unsecured, homeowners exemptions and estimated amounts from current secured.

Growth and Property Tax Allocation by Fund
(exclusive of Unitary & General Aircraft Revenue)

The County's General Fund allocation is \$272.6 million.

| ERAF III CITIES, DIST FY 05/06 | TRIPLE FLIP FY 05/06 | TOTAL SWAP, FLIP & ERAF III SHIFT | CURRENT YR ALLOCATION NET OF SB1096 | EXCESS ERAF & DEFICIT NON BASIC AID SCHOOLS ³ | CURRENT YEAR ALLOCATION NET OF EXCESS ERAF | PCT OF TOTAL |
|--------------------------------------|-------------------------|---|---|---|--|-----------------|
| \$ (6,704,877) | \$ 3,080,896 | \$ 58,869,244 | \$ 209,845,437 | \$ 62,716,116 | \$ 272,561,553 | 22.4% |
| \$ (137,435) | \$ 32,935 | \$ 395,841 | \$ 4,071,243 | \$ 519,995 | \$ 4,591,238 | 0.4% |
| (245,226) | 625,877 | 2,036,324 | 4,247,083 | 521,450 | 4,768,533 | 0.4% |
| (131,782) | 1,086,135 | 1,184,030 | 2,724,781 | 237,784 | 2,962,565 | 0.2% |
| (608,013) | 1,939,087 | 3,163,659 | 10,906,283 | 1,088,111 | 11,994,394 | 1.0% |
| (251,813) | 1,837,484 | 1,676,775 | 1,725,341 | 136,846 | 1,862,188 | 0.2% |
| (1,943,993) | 1,877,739 | 6,662,065 | 19,399,829 | 2,425,221 | 21,825,050 | 1.8% |
| - | - | - | 1,146,798 | 483,862 | 1,630,660 | 0.1% |
| (269,937) | 706,408 | 2,524,260 | 6,039,746 | 363,287 | 6,403,033 | 0.5% |
| (125,119) | 407,413 | 1,109,046 | 2,149,443 | 185,978 | 2,335,421 | 0.2% |
| (299,179) | 13,674 | 421,933 | 8,499,718 | 907,976 | 9,407,694 | 0.8% |
| (515,560) | 1,420,184 | 2,898,284 | 9,328,685 | 1,094,583 | 10,423,268 | 0.9% |
| (232,198) | 439,885 | 1,572,537 | 4,577,190 | 486,223 | 5,063,413 | 0.4% |
| (403,998) | 323,767 | 2,481,212 | 9,492,205 | 1,173,936 | 10,666,141 | 0.9% |
| (49,152) | 40,456 | 284,102 | 908,998 | 101,490 | 1,010,488 | 0.1% |
| - | - | - | 396 | - | 396 | 0.0% |
| - | - | - | 21,051 | - | 21,051 | 0.0% |
| (1,451,374) | 3,483,686 | 6,855,842 | 20,460,909 | 3,066,394 | 23,527,302 | 1.9% |
| - | - | - | 6,547,348 | 370,629 | 6,917,977 | 0.6% |
| - | - | - | 23,652 | 1,095 | 24,747 | 0.0% |
| - | - | - | 548,933 | 24,552 | 573,485 | 0.0% |
| (493,145) | 1,544,984 | 3,731,194 | 8,200,291 | 774,697 | 8,974,989 | 0.7% |
| (453,942) | 1,428,402 | 2,770,548 | 8,169,573 | 915,519 | 9,085,092 | 0.7% |
| (1,422,911) | 3,435,418 | 8,017,140 | 26,622,277 | 2,515,892 | 29,138,169 | 2.4% |
| (984,348) | 2,554,547 | 5,601,709 | 16,700,975 | 1,871,708 | 18,572,683 | 1.5% |
| (76,955) | 112,630 | 407,096 | 1,803,009 | 186,647 | 1,989,657 | 0.2% |
| - | - | - | 22,716 | 936 | 23,652 | 0.0% |
| \$ (10,096,080) | 23,310,709 | \$ 53,793,595 | \$ 174,338,475 | \$ 19,454,812 | \$ 193,793,287 | 15.9% |
| - | - | - | \$ 776,256 | \$ (349,262) | \$ 426,994 | 0.0% |
| - | - | - | 15,748,597 | - | 15,748,597 | 1.3% |
| - | - | - | 2,935,990 | - | 2,935,990 | 0.2% |
| - | - | - | 9,776,757 | (2,109,647) | 7,667,110 | 0.6% |
| - | - | - | 10,012,414 | - | 10,012,414 | 0.8% |
| - | - | - | 15,827,267 | (3,577,003) | 12,250,264 | 1.0% |
| - | - | - | 9,334,427 | (2,036,241) | 7,298,186 | 0.6% |
| - | - | - | 8,051,233 | - | 8,051,233 | 0.7% |
| - | - | - | 13,589,116 | - | 13,589,116 | 1.1% |
| - | - | - | 7,953,955 | (1,843,039) | 6,110,916 | 0.5% |
| - | - | - | 6,263,880 | - | 6,263,880 | 0.5% |
| - | - | - | 5,286,672 | (2,026,197) | 3,260,475 | 0.3% |
| - | - | - | 28,617,971 | (6,707,600) | 21,910,371 | 1.8% |
| - | - | - | 11,493,880 | (2,596,951) | 8,896,929 | 0.7% |
| - | - | - | 9,889,516 | (2,291,483) | 7,598,033 | 0.6% |
| - | - | - | 40,941,944 | (10,069,599) | 30,872,345 | 2.5% |
| - | - | - | 3,514,831 | - | 3,514,831 | 0.3% |
| - | - | - | 23,753,624 | (5,544,846) | 18,208,778 | 1.5% |
| - | - | - | 68,395,257 | - | 68,395,257 | 5.6% |
| - | - | - | 65,783,592 | - | 65,783,592 | 5.4% |
| - | - | - | 14,848,748 | (3,204,092) | 11,644,656 | 1.0% |
| - | - | - | 2,386,630 | - | 2,386,630 | 0.2% |
| - | - | - | 40,453,364 | (10,727,665) | 29,725,699 | 2.4% |
| - | - | - | 71,639,525 | (16,816,742) | 54,822,783 | 4.5% |
| - | - | - | 37,281,940 | - | 37,281,940 | 3.1% |
| - | - | (104,966,851) | 43,180,460 | 69,900,367 | 113,080,827 | 9.3% |
| \$ - | \$ - | \$ (104,966,851) | \$ 567,737,847 | \$ - | \$ 567,737,847 | 46.6% |



See page 9 for definitions of ERAF, Revenue Limit, and Basic Aid.

The net effect of the Swap, Flip, and ERAFIII Shift is a \$105 million decrease in taxes allocated to the ERAF fund.

Local school districts receive an allocation of \$567.8 million.

³ Excess ERAF is that portion of the ERAF tax shift available after distribution to school districts to meet their revenue limit. Excess ERAF refunded in FY05-06 comprises of: 2002 remaining 10% of Reserve Balance; 2005 remaining balance due, net of reserve; and 2006 50% of the excess ERAF, net of reserve. It also includes return of excess ERAF paid to Redevelopment Agencies (RDAs) in prior periods; RDAs are not entitled to excess ERAF.

Controller Distributes Property Taxes *cont.*

Summary of Fiscal Year 2005-06 Incremental Secured, Unsecured & Homeowners Exemptions

| FUND NO | TAXING AGENCY | PRIOR YEAR ACTUAL TAXES NET OF RDA ¹ | CURRENT YEAR TAXES NET OF RDA ² | CURRENT YEAR INCREMENTAL GROWTH \$ | CURRENT YEAR INCREMENTAL GROWTH % | VLF /SWAP FY 05/06 |
|-------------------------------|----------------------------------|---|--|------------------------------------|-----------------------------------|---------------------|
| REDEVELOPMENT AGENCIES | | | | | | |
| 10799 | BELMONT-LOS COSTANOS | \$ 5,215,230 | \$ 5,407,608 | \$ 192,378 | 3.69% | |
| 10902 | BRISBANE NO. 1 | 3,560,074 | 2,534,916 | (1,025,158) | -28.80% | |
| 10903 | BRISBANE NO. 2 | 1,042,801 | 1,029,515 | (13,286) | -1.27% | |
| 12303 | DALY CITY | 2,854,538 | 2,858,300 | 3,762 | 0.13% | |
| 12304 | DALY CITY BAYSHORE | 1,907,994 | 2,298,385 | 390,391 | 20.46% | |
| 12397 | EPA GATEWAY | 2,797,498 | 2,827,915 | 30,417 | 1.09% | |
| 12398 | EPA RAVESNWOOD | 392,321 | 372,763 | (19,558) | -4.99% | |
| 12399 | EPA UNIV. CIRCLE | 1,168,113 | 1,269,410 | 101,297 | 8.67% | |
| 13197 | FOSTER CITY HILLS-GULL | 257,240 | 263,262 | 6,022 | 2.34% | |
| 13198 | FOSTER CITY MARLIN COVE | 629,070 | 716,351 | 87,281 | 13.87% | |
| 13199 | FOSTER CITY COMMUNITY | 10,702,693 | 11,257,601 | 554,908 | 5.18% | |
| 15799 | MENLO PARK LAS PULGAS | 8,326,952 | 8,318,119 | (8,833) | -0.11% | |
| 15899 | MILLBRAE | 1,782,844 | 2,034,156 | 251,312 | 14.10% | |
| 16799 | PACIFICA ROCKAWAY BEACH | 238,872 | 238,070 | (802) | -0.34% | |
| 18498 | REDWOOD CITY NO. 2 ANNEX | 4,878,688 | 5,249,907 | 371,219 | 7.61% | |
| 18499 | REDWOOD CITY NO. 2 | 3,423,495 | 3,380,303 | (43,192) | -1.26% | |
| 18599 | SAN BRUNO | 2,256,864 | 2,719,711 | 462,847 | 20.51% | |
| 18699 | SAN CARLOS | 2,917,775 | 2,802,893 | (114,882) | -3.94% | |
| 18798 | SAN MATEO DOWNTOWN | 3,958,147 | 4,224,841 | 266,694 | 6.74% | |
| 18799 | SAN MATEO SHORELINE | 6,473,101 | 6,277,093 | (196,008) | -3.03% | |
| 19496 | SSF EL CAMINO ANNEX | 104,548 | 147,986 | 43,438 | 41.55% | |
| 19497 | SSF EL CAMINO ANNEX | 1,614,165 | 1,530,512 | (83,653) | -5.18% | |
| 19498 | SSF UN STEEL PLANT SITE | 2,894,908 | 2,308,206 | (586,702) | -20.27% | |
| 19499 | SSF GATEWAY | 5,943,041 | 5,914,629 | (28,412) | -0.48% | |
| 19599 | SSF DOWNTOWN -CENTRAL | 7,519,458 | 7,336,700 | (182,758) | -2.43% | |
| | TOTAL RDAS | \$ 82,860,430 | \$ 83,319,152 | \$ 458,722 | 0.55% | \$ - |
| INDEPENDENT DISTRICTS | | | | | | |
| 14391 | GUADALUPE VALLEY IMP | \$ 28,690 | \$ 28,120 | \$ (569) | -1.98% | |
| 23891 | ESTERO MUNI IMP (FOSTER CITY) | 8,484,003 | 9,147,925 | 663,922 | 7.83% | 2,118,225 |
| 71070 | BELMONT FIRE DIST | 4,597,183 | 5,014,011 | 416,828 | 9.07% | |
| 71071 | BELMONT SPEC FIRE Z-1 | 31,393 | 32,590 | 1,197 | 3.81% | |
| 71072 | BELMONT SPEC FIRE Z-2 | 1,619 | 1,671 | 52 | 3.21% | |
| 71073 | BELMONT SPEC FIRE Z-3 | 33,467 | 39,621 | 6,154 | 18.39% | |
| 73030 | BAYSHORE SANI DIST | 72,073 | 72,151 | 78 | 0.11% | |
| 73420 | GRANADA SANI DIST | 352,397 | 383,285 | 30,888 | 8.77% | |
| 73590 | MONTARA SANI DIST | 290,804 | 314,402 | 23,598 | 8.11% | |
| 75010 | ATHERTON CHANNEL DRNGE | 45,887 | 51,850 | 5,963 | 13.00% | |
| 77070 | MID-PENINSULA WATER | 98,447 | 106,791 | 8,345 | 8.48% | |
| 77150 | CANADA COUNTY WATER | 18,718 | 19,983 | 1,265 | 6.76% | |
| 77170 | COASTSIDE CO. WATER | 479,717 | 532,568 | 52,851 | 11.02% | |
| 77560 | LOS TRANCOS CO. WATER | 144,931 | 159,279 | 14,347 | 9.90% | |
| 77620 | NO. COAST CO. WATER | 345,568 | 374,971 | 29,403 | 8.51% | |
| 77910 | SKYLINE CO. WATER | 134,419 | 145,722 | 11,303 | 8.41% | |
| 77980 | WESTBOROUGH CO. WATER | 173,905 | 191,334 | 17,430 | 10.02% | |
| 78560 | MIDPENIN REG OP SPACE | 6,569,399 | 7,111,832 | 542,433 | 8.26% | |
| 78700 | WEST PK PKS & PKWYS | 312,023 | 353,350 | 41,327 | 13.24% | |
| 78701 | STONEGATE PK & PKWYS | 164,547 | 174,611 | 10,064 | 6.12% | |
| 78702 | WEST PARK 3 PK & PKWY | 521,142 | 560,928 | 39,786 | 7.63% | |
| 78703 | WILLOW GDNS PK & PKWYS | 36,556 | 36,471 | (85) | -0.23% | |
| 78712 | WAYSIDE RD MAINT Z-2 | 12,429 | 12,696 | 267 | 2.15% | |
| 78721 | CRESCENT AVE MAINT Z-A | 1,224 | 1,284 | 60 | 4.89% | |
| 78722 | CRESCENT AVE MAINT Z-B | 4,632 | 4,885 | 252 | 5.45% | |
| 78723 | CRESCENT AVE MAINT Z-C | 487 | 496 | 9 | 1.90% | |
| 78724 | CRESCENT AVE MAINT Z-D | 205 | 208 | 3 | 1.46% | |
| 79020 | BAY AREA AIR QUALITY | 2,060,739 | 2,207,418 | 146,680 | 7.12% | |
| 79450 | S.M. CO. HARBOR DIST | 2,616,327 | 2,801,014 | 184,686 | 7.06% | |
| 79730 | PENINSULA HOSP DIST | 3,277,298 | 3,448,770 | 171,472 | 5.23% | |
| 79890 | SEQUOIA HOSP DIST | 5,730,129 | 6,200,714 | 470,585 | 8.21% | |
| 79920 | RESOURCE CONSERVATION | 33,630 | 36,127 | 2,497 | 7.42% | |
| 70110 | BROADMOOR POLICE | 717,634 | 816,021 | 98,386 | 13.71% | |
| 71180 | COLMA FIRE DIST | 461,144 | 521,772 | 60,628 | 13.15% | |
| 71440 | HMB FIRE DIST | 4,340,143 | 4,811,550 | 471,408 | 10.86% | |
| 71570 | MENLO PARK FIRE DIST | 18,341,499 | 20,178,420 | 1,836,921 | 10.02% | |
| 71770 | PT MONTARA FIRE DIST | 1,024,126 | 1,111,227 | 87,101 | 8.50% | |
| 71970 | WOODSIDE FIRE DIST | 8,372,554 | 9,343,843 | 971,288 | 11.60% | |
| 73690 | EPA SANI DIST | 221,945 | 249,950 | 28,005 | 12.62% | |
| 78460 | HIGHLANDS REC | 227,985 | 242,908 | 14,923 | 6.55% | |
| 78510 | LADERA REC DIST | 79,278 | 88,402 | 9,124 | 11.51% | |
| 79600 | MOSQUITO ABATEMENT | 1,178,830 | 1,259,394 | 80,564 | 6.83% | |
| | TOTAL INDEPEND. DISTRICTS | \$ 71,639,125 | \$ 78,190,567 | \$ 6,551,441 | 9.15% | \$ 2,118,225 |

¹ RDAs are Redevelopment Agencies. The prior year taxes in this column include ERAF I and ERAF II amounts.

² The current year taxes in this column are actuals from current unsecured, homeowners exemptions and estimated amounts from current secured.

Growth and Property Tax Allocation by Fund

(exclusive of Unitary & General Aircraft Revenue)

| ERAF III CITIES, DIST FY 05/06 | TRIPLE FLIP FY 05/06 | TOTAL SWAP, FLIP & ERAF III SHIFT | CURRENT YR ALLOCATION NET OF SB1096 | EXCESS ERAF & DEFICIT NON BASIC AID SCHOOLS ³ | CURRENT YEAR ALLOCATION NET OF EXCESS ERAF | PCT OF TOTAL |
|--------------------------------------|-------------------------|---|---|---|--|-----------------|
| \$ (461,415) | | \$ (461,415) | \$ 4,946,193 | (100,782) | \$ 4,845,411 | 0.4% |
| (331,572) | | (331,572) | 2,203,344 | (88,606) | 2,114,738 | 0.2% |
| - | | - | 1,029,515 | - | 1,029,515 | 0.1% |
| (355,833) | | (355,833) | 2,502,467 | (46,603) | 2,455,864 | 0.2% |
| - | | - | 2,298,385 | - | 2,298,385 | 0.2% |
| (343,896) | | (343,896) | 2,484,019 | (47,726) | 2,436,293 | 0.2% |
| - | | - | 372,763 | - | 372,763 | 0.0% |
| - | | - | 1,269,410 | - | 1,269,410 | 0.1% |
| - | | - | 263,262 | - | 263,262 | 0.0% |
| - | | - | 716,351 | - | 716,351 | 0.1% |
| (725,907) | | (725,907) | 10,531,694 | (194,343) | 10,337,351 | 0.8% |
| (780,209) | | (780,209) | 7,537,910 | (182,718) | 7,355,192 | 0.6% |
| (155,433) | | (155,433) | 1,878,723 | (34,724) | 1,843,999 | 0.2% |
| (17,427) | | (17,427) | 220,643 | (3,652) | 216,991 | 0.0% |
| (678,789) | | (678,789) | 4,571,118 | (157,205) | 4,413,913 | 0.4% |
| - | | - | 3,380,303 | - | 3,380,303 | 0.3% |
| (113,087) | | (113,087) | 2,606,624 | (16,651) | 2,589,973 | 0.2% |
| (296,407) | | (296,407) | 2,506,486 | (80,415) | 2,426,071 | 0.2% |
| - | | - | 4,224,841 | - | 4,224,841 | 0.3% |
| (875,839) | | (875,839) | 5,401,254 | (227,101) | 5,174,153 | 0.4% |
| - | | - | 147,986 | - | 147,986 | 0.0% |
| - | | - | 1,530,512 | - | 1,530,512 | 0.1% |
| - | | - | 2,308,206 | - | 2,308,206 | 0.2% |
| - | | - | 5,914,629 | - | 5,914,629 | 0.5% |
| (1,481,819) | | (1,481,819) | 5,854,881 | (316,196) | 5,538,685 | 0.5% |
| \$ (6,617,633) | \$ - | \$ (6,617,633) | \$ 76,701,519 | \$ (1,496,721) | \$ 75,204,798 | 6.2% |
| \$ (36,405) | | \$ (36,405) | \$ (8,285) | \$ 19,376 | \$ 11,092 | 0.0% |
| (275,321) | 883,467 | 2,726,371 | 11,874,296 | 718,979 | 12,593,276 | 1.0% |
| - | | - | 5,014,011 | - | 5,014,011 | 0.4% |
| - | | - | 32,590 | - | 32,590 | 0.0% |
| - | | - | 1,671 | - | 1,671 | 0.0% |
| - | | - | 39,621 | - | 39,621 | 0.0% |
| (89,054) | | (89,054) | (16,903) | 74,782 | 57,879 | 0.0% |
| (143,099) | | (143,099) | 240,186 | 212,632 | 452,818 | 0.0% |
| (218,702) | | (218,702) | 95,700 | 228,245 | 323,945 | 0.0% |
| (4,467) | | (4,467) | 47,384 | 5,753 | 53,137 | 0.0% |
| (17,762) | | (17,762) | 89,029 | 48,143 | 137,173 | 0.0% |
| - | | - | 19,983 | - | 19,983 | 0.0% |
| (426,679) | | (426,679) | 105,889 | 413,518 | 519,407 | 0.0% |
| (40,217) | | (40,217) | 119,062 | 52,739 | 171,802 | 0.0% |
| (301,082) | | (301,082) | 73,889 | 292,143 | 366,032 | 0.0% |
| (80,748) | | (80,748) | 64,974 | 94,956 | 159,929 | 0.0% |
| (148,348) | | (148,348) | 42,986 | 146,267 | 189,254 | 0.0% |
| (575,358) | | (575,358) | 6,536,474 | 303,864 | 6,840,339 | 0.6% |
| - | | - | 353,350 | 10,999 | 364,349 | 0.0% |
| - | | - | 174,611 | 15,293 | 189,904 | 0.0% |
| - | | - | 560,928 | 11,395 | 572,323 | 0.0% |
| - | | - | 36,471 | 3,484 | 39,955 | 0.0% |
| (2,376) | | (2,376) | 10,320 | 2,368 | 12,689 | 0.0% |
| - | | - | 1,284 | - | 1,284 | 0.0% |
| (542) | | (542) | 4,343 | 286 | 4,629 | 0.0% |
| - | | - | 496 | - | 496 | 0.0% |
| - | | - | 208 | - | 208 | 0.0% |
| (140,206) | | (140,206) | 2,067,212 | 74,047 | 2,141,259 | 0.2% |
| (658,134) | | (658,134) | 2,142,879 | 850,932 | 2,993,811 | 0.2% |
| - | | - | 3,448,770 | 96,093 | 3,544,863 | 0.3% |
| - | | - | 6,200,714 | 161,976 | 6,362,690 | 0.5% |
| (3,606) | | (3,606) | 32,521 | 4,670 | 37,191 | 0.0% |
| - | | - | 816,021 | 155,585 | 971,605 | 0.1% |
| - | | - | 521,772 | - | 521,772 | 0.0% |
| - | | - | 4,811,550 | 371,445 | 5,182,995 | 0.4% |
| - | | - | 20,178,420 | 1,433,297 | 21,611,717 | 1.8% |
| - | | - | 1,111,227 | 99,277 | 1,210,504 | 0.1% |
| - | | - | 9,343,843 | 718,726 | 10,062,569 | 0.8% |
| (170,073) | | (170,073) | 79,877 | 179,364 | 259,241 | 0.0% |
| (19,879) | | (19,879) | 223,029 | 53,681 | 276,710 | 0.0% |
| (6,748) | | (6,748) | 81,655 | 22,962 | 104,616 | 0.0% |
| - | | - | 1,259,394 | 140,940 | 1,400,334 | 0.1% |
| \$ (3,358,804) | \$ 883,467 | \$ (357,112) | \$ 77,833,454 | \$ 7,018,218 | \$ 84,851,672 | 7.0% |

GLOSSARY

ERAF
Education Revenue Augmentation Fund.

The State passed into law two tax shifts, ERAF I (beginning FY 1992-93) and ERAF II (beginning FY 1993-94) to balance the State budget by shifting local AB8 property tax revenues from counties, cities, special districts, and redevelopment agencies to K-12 schools and community colleges. The base ERAF I and II tax shift amounts for each entity were specified by the State based on population and other factors and are adjusted yearly per the incremental growth in property assessed values.

ERAF III is an additional tax shift implemented by the State for FY 2004/05 and FY 2005/06. Unlike ERAF I and ERAF II, ERAF III is only a temporary two-year shift.

Revenue Limit
Every California school district is entitled to a minimum amount per student. Revenue Limit schools receive a property tax share that is less than this limit (approx. \$5,000 per elementary/middle school student), so the State makes up the difference.

Basic Aid
These school districts receive more local property tax than the minimum state revenue limit, so they are not funded by the State. Basic Aid districts (10 of 24 currently in the County and 60 in the State) get to keep and spend all of the property tax they receive, including that amount in excess of the Revenue Limit.

³ Excess ERAF is that portion of the ERAF tax shift available after distribution to school districts to meet their revenue limit. Excess ERAF refunded in FY05-06 comprises of: 2002 remaining 10% of Reserve Balance; 2005 remaining balance due, net of reserve; and 2006 50% of the excess ERAF, net of reserve. It also includes return of excess ERAF paid to Redevelopment Agencies (RDAs) in prior periods; RDAs are not entitled to excess ERAF.

Controller Distributes Property Taxes *cont.*

Summary of Fiscal Year 2005-06 Incremental Secured, Unsecured & Homeowners Exemptions

| FUND NO | TAXING AGENCY | PRIOR YEAR ACTUAL TAXES NET OF RDA ¹ | CURRENT YEAR TAXES NET OF RDA ² | CURRENT YEAR INCREMENTAL GROWTH \$ | CURRENT YEAR INCREMENTAL GROWTH % | VLF /SWAP FY 05/06 |
|-------------------------------------|--------------------------|---|--|------------------------------------|-----------------------------------|-----------------------|
| DEPENDENT DISTRICTS (COUNTY) | | | | | | |
| 01001 | FREE LIBRARY | \$ 11,674,560 | \$ 12,600,574 | \$ 926,013 | 7.93% | |
| 02000 | CO. FIRE PROTECTION | 4,410,582 | 4,319,810 | (90,772) | -2.06% | |
| 71400 | CO. SERVICE AREA #1 | 1,547,510 | 1,671,139 | 123,630 | 7.99% | |
| 71560 | CO. SERVICE AREA #6 | 37,749 | 40,450 | 2,701 | 7.16% | |
| 71568 | CO. SERVICE AREA #8 | 603,627 | 644,264 | 40,637 | 6.73% | |
| 72140 | BURLINGAME HILLS SEWER | 39,255 | 43,072 | 3,817 | 9.72% | |
| 72350 | EMERALD LAKE HTS SEWER | 9,775 | 10,885 | 1,110 | 11.35% | |
| 72390 | FAIR OAKS SEWER | 268,113 | 292,606 | 24,493 | 9.14% | |
| 72450 | HARBOR INDUSTRIAL SEWER | 5,404 | 5,683 | 279 | 5.17% | |
| 72490 | KENSINGTON SQ SEWER | 7,495 | 8,154 | 658 | 8.78% | |
| 72650 | OAK KNOLL SEWER | 2,484 | 2,517 | 33 | 1.31% | |
| 74210 | CRYSTAL SPRINGS SANI | 36,241 | 39,012 | 2,771 | 7.65% | |
| 74250 | DEVONSHIRE CO. SANI | 17,642 | 19,438 | 1,797 | 10.19% | |
| 74880 | SCENIC HTS SANI | 901 | 942 | 41 | 4.53% | |
| 75050 | CAMPO BELLO UNIV PK DR | 1,778 | 1,961 | 183 | 10.29% | |
| 75180 | COLMA CREEK FLOOD CTRL | 378,743 | 398,638 | 19,895 | 5.25% | |
| 75181 | COLMA CREEK FLOOD Z-3 | 944,472 | 1,011,683 | 67,211 | 7.12% | |
| 75182 | COLMA CREEK FLOOD Z-2 | 389,146 | 376,063 | (13,083) | -3.36% | |
| 75183 | COLMA CREEK FLOOD Z-1 | 88,746 | 91,267 | 2,522 | 2.84% | |
| 75185 | SAN BRUNO CREEK Z-2 | 147,984 | 159,463 | 11,479 | 7.76% | |
| 75188 | SAN FRANCISQUITO Z-2 | 146,343 | 162,217 | 15,874 | 10.85% | |
| 75190 | RAVENSWOOD SLOUGH FL | 3,419 | 3,728 | 309 | 9.04% | |
| 75370 | ENCHANTED HILLS DRAINAGE | 1,185 | 1,294 | 110 | 9.25% | |
| 75460 | HIGHLANDS DRAINAGE | 311 | 324 | 14 | 4.35% | |
| 75750 | E. P. A. DRAINAGE MAINT | 25,378 | 36,755 | 11,376 | 44.83% | |
| 75760 | SEQUOIA DRAINAGE | 1,323 | 1,448 | 125 | 9.49% | |
| 75800 | UNIVERSITY HTS DRAINAGE | 8,999 | 9,967 | 969 | 10.76% | |
| 76050 | BEL AIRE LIGHTING | 30,272 | 32,485 | 2,213 | 7.31% | |
| 76070 | BELMONT LIGHTING | 3,638 | 3,852 | 214 | 5.88% | |
| 76150 | COLMA LIGHTING | 66,014 | 74,593 | 8,579 | 13.00% | |
| 76320 | EL GRANADA LIGHTING | 37,907 | 40,957 | 3,049 | 8.04% | |
| 76340 | EMERAL LAKE LIGHTING | 123,119 | 134,131 | 11,012 | 8.94% | |
| 76370 | ENCHANTED HILLS LIGHTING | 5,542 | 6,064 | 522 | 9.41% | |
| 76500 | LA HONDA LIGHTING | 7,701 | 8,180 | 479 | 6.22% | |
| 76570 | MENLO PARK LIGHTING | 140,540 | 154,432 | 13,892 | 9.88% | |
| 76590 | MONTARA LIGHTING | 56,383 | 61,114 | 4,731 | 8.39% | |
| 76750 | PESCADERO LIGHTING | 6,139 | 6,791 | 652 | 10.62% | |
| 76830 | RAVENSWOOD LIGHTING | 125,761 | 137,371 | 11,610 | 9.23% | |
| 79460 | HIGHLANDS LANDSCAPE | 5,236 | 5,510 | 274 | 5.24% | |
| TOTAL DEPENDENT DISTRICTS | | \$ 21,407,418 | \$ 22,618,834 | \$ 1,211,416 | 5.66% | \$ - |
| COUNTYWIDE TOTALS | | \$ 1,054,025,200 | \$ 1,128,354,324 | \$ 74,329,123 | 7.05% | \$ 105,190,416 |

¹ RDAs are Redevelopment Agencies. The prior year taxes in this column include ERAF I and ERAF II amounts.

² The current year taxes in this column are actuals from current unsecured, homeowners exemptions and estimated amounts from current secured.

Growth and Property Tax Allocation by Fund

(exclusive of Unitary & General Aircraft Revenue)

| ERAF III CITIES, DIST FY 05/06 | TRIPLE FLIP FY 05/06 | TOTAL SWAP, FLIP & ERAF III SHIFT | CURRENT YR ALLOCATION NET OF SB1096 | EXCESS ERAF & DEFICIT NON BASIC AID SCHOOLS ³ | CURRENT YEAR ALLOCATION NET OF EXCESS ERAF | PCT OF TOTAL |
|--------------------------------------|-------------------------|---|---|---|--|-----------------|
| \$ - | | \$ - | \$ 12,600,574 | \$ 1,768,565 | \$ 14,369,139 | 1.2% |
| - | | - | 4,319,810 | - | 4,319,810 | 0.4% |
| - | | - | 1,671,139 | - | 1,671,139 | 0.1% |
| (3,991) | | (3,991) | 36,458 | 4,757 | 41,215 | 0.0% |
| (135,387) | | (135,387) | 508,878 | 49,836 | 558,714 | 0.0% |
| (24,858) | | (24,858) | 18,214 | 28,428 | 46,642 | 0.0% |
| (8,150) | | (8,150) | 2,735 | 8,138 | 10,873 | 0.0% |
| (251,434) | | (251,434) | 41,172 | 237,633 | 278,805 | 0.0% |
| (7,598) | | (7,598) | (1,915) | 6,170 | 4,255 | 0.0% |
| (3,067) | | (3,067) | 5,087 | 4,522 | 9,609 | 0.0% |
| (2,019) | | (2,019) | 498 | 2,003 | 2,501 | 0.0% |
| (31,748) | | (31,748) | 7,264 | 30,806 | 38,070 | 0.0% |
| (11,446) | | (11,446) | 7,992 | 12,933 | 20,925 | 0.0% |
| (822) | | (822) | 120 | 779 | 899 | 0.0% |
| (167) | | (167) | 1,794 | 455 | 2,249 | 0.0% |
| (33,361) | | (33,361) | 365,277 | 61,653 | 426,929 | 0.0% |
| (82,213) | | (82,213) | 929,470 | 101,508 | 1,030,979 | 0.1% |
| (36,162) | | (36,162) | 339,901 | 47,596 | 387,497 | 0.0% |
| (7,866) | | (7,866) | 83,402 | 13,679 | 97,081 | 0.0% |
| (12,828) | | (12,828) | 146,635 | 17,277 | 163,912 | 0.0% |
| (12,820) | | (12,820) | 149,397 | 23,514 | 172,911 | 0.0% |
| (295) | | (295) | 3,433 | 1,345 | 4,778 | 0.0% |
| (104) | | (104) | 1,190 | 191 | 1,381 | 0.0% |
| (26) | | (26) | 298 | 135 | 433 | 0.0% |
| (1,428) | | (1,428) | 35,327 | 2,938 | 38,265 | 0.0% |
| (121) | | (121) | 1,327 | 959 | 2,287 | 0.0% |
| (776) | | (776) | 9,191 | 1,630 | 10,821 | 0.0% |
| (2,624) | | (2,624) | 29,861 | 18,203 | 48,064 | 0.0% |
| (460) | | (460) | 3,392 | 2,014 | 5,406 | 0.0% |
| (5,604) | | (5,604) | 68,989 | 33,077 | 102,066 | 0.0% |
| (3,193) | | (3,193) | 37,764 | 5,641 | 43,405 | 0.0% |
| (10,535) | | (10,535) | 123,596 | 63,053 | 186,649 | 0.0% |
| (465) | | (465) | 5,599 | 2,796 | 8,394 | 0.0% |
| (763) | | (763) | 7,417 | 4,538 | 11,956 | 0.0% |
| (12,166) | | (12,166) | 142,266 | 83,856 | 226,122 | 0.0% |
| (4,830) | | (4,830) | 56,284 | 36,079 | 92,364 | 0.0% |
| (578) | | (578) | 6,213 | 4,101 | 10,314 | 0.0% |
| (10,898) | | (10,898) | 126,472 | 74,909 | 201,381 | 0.0% |
| (439) | | (439) | 5,071 | 552 | 5,623 | 0.0% |
| \$ (721,243) | \$ - | \$ (721,243) | \$ 21,897,592 | \$ 2,756,271 | \$ 24,653,862 | 2.0% |
| \$ (27,498,637) | \$ 27,275,072 | \$ - | \$ 1,128,354,324 | \$ 90,448,696 | \$ 1,218,803,019 | 100.0% |

See page 9 for definitions of ERAF, Revenue Limit, and Basic Aid.

This allocation does not include \$12.4 million of Unitary & General Aircraft taxes which are distributed under different formulas.

³ Excess ERAF is that portion of the ERAF tax shift available after distribution to school districts to meet their revenue limit. Excess ERAF refunded in FY05-06 comprises of: 2002 remaining 10% of Reserve Balance; 2005 remaining balance due, net of reserve; and 2006 50% of the excess ERAF, net of reserve. It also includes return of excess ERAF paid to Redevelopment Agencies (RDAs) in prior periods; RDAs are not entitled to excess ERAF.

Controller Distributes Property Taxes

After collection the Tax Collector forwards the taxes to the Controller for apportionment and distribution to all eligible jurisdictions in the County. The law requires the County Controller to allocate the revenue in accordance with specified formulas and procedures.

AB8 (Assembly Bill 8 of 1979-80), with many subsequent amendments, governs the complicated tax allocation process. Each tax jurisdiction (entity) was assigned a base amount of property tax determined by 1978-79 revenue. Each year the entity is then allocated an amount equal to the total received in the previous year plus a percentage of tax growth within the geographic tax area served by the entity.

Around October of each year, the Controller provides each taxing agency an estimate of its property tax revenue. These estimates are based on the tax rolls compiled by the Assessor. During the year, the Assessor and the Assessment Appeals Board approve tax roll corrections that change the original levy, some of which result in refunds to taxpayers. Due to changing economic conditions, as well as misfortunes and calamities, total refunds fluctuate substantially from year to year, making it imperative that taxing agencies budget conservatively and maintain an appropriate amount of reserves.

Adding to the complex tax allocation process, legislation (SB1096) was enacted in fiscal year 2004-05 that (for only cities and the county) permanently swaps Vehicle License Fee revenue for Property Taxes (the "Swap") and temporarily exchanges Sales Tax Revenues ("Flip") for Property Taxes. The Flip expires when the State Deficit Bonds are retired in approximately 15-20 years. In addition, the enacted legislation requires additional revenues to be shifted away from most taxing agencies to the Education Revenue Augmentation Fund ("ERAF III Shift") for the 2004-05 and 2005-06 fiscal years. The legislation specifies that the property tax revenues necessary for the Swap and Flip are to be taken from the ERAF Fund while the two-year ERAF III Shift will be added to the fund.

For fiscal year 2005-06 the total Swap was \$105.2 million and the Flip was \$27.3 million of additional property taxes for cities and the county. The final year of the ERAF III Shift provides the ERAF Fund an additional \$27.5 million of property taxes. The net effect of the Swap, Flip and ERAF III Shift was a decrease of \$104.9 million of property tax revenue allocated to the ERAF Fund.

For fiscal year 2005-06, overall countywide property tax growth remains strong; ranging from 4.7% for the unincorporated areas to 15.15% for Atherton. Total countywide property taxes (including general, bonds and special assessments/taxes) increased by \$88.5 million, representing a 7.1% increase from the prior year. Listed on the prior pages is a summary of the growth percentage and taxes for the various agencies that receive property tax revenue. As you will notice there are large fluctuations in growth percentages between agencies due to growth in the various geographic regions within the county.

Refunds

(Revenue Reductions to Tax Agencies)

| Fiscal Year | Amount |
|-------------|--------------|
| 2001-02 | \$ 1,585,064 |
| 2002-03 | 13,342,496 |
| 2003-04 | 8,017,468 |
| 2004-05 | 4,141,317 |
| 2005-06 | 25,311,246 |

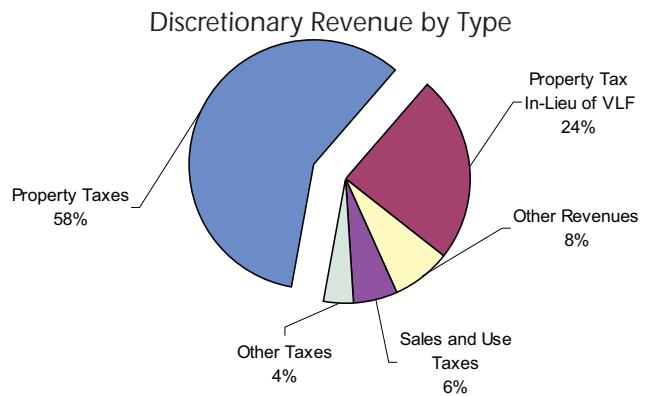
I hope you will take the time to provide us with your thoughts or ideas for improvement after reading this year's report. Drop me a note at thuening@co.sanmateo.ca.us or call my office at (650)363-4777. I look forward to hearing from you.

*Tom Huening, CPA, CPFO
Controller*

County Property Taxes

The County receives property taxes for the General Fund and eight types of dependent special districts. The dependent district taxes are allocated directly to the entity to provide specific services within geographic areas. The most significant district services are free library and fire.

The General Fund property tax is the most important tax source for the County. It is more than 58% of the County's discretionary revenue. This source of tax is the historic funding for public safety, law and justice. However, the state requires mandated services in health and public assistance without adequate funding that also compete for this important revenue source.



For more information on tax apportionment visit:

www.co.sanmateo.ca.us/controller/propertytaxpubs