



870 Market Street, Suite 1223
San Francisco, CA 94102

Toll free: 800.434.8349 (F) 415.391.8439

nbsgov.com

To: San Francisco Bay Restoration Authority (SFBRA)
From: Tim Seufert, NBS
Subj: Election charges, tax collection procedures and administrative fees
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This memo summarizes the research performed as requested by the SFBRA on election costs and tax collection fees. In addition, sample parcel tax measure information has been included. Please let me know if there are further questions.

Election costs:

Summary: The total estimated costs for being on the ballot countywide in all nine Bay Area Counties for the November 2012 election is approximately \$5.5MM (5.5 million dollars). There is also a nominal filing fee in some Counties (examples: \$200 in Napa County; no cost in San Francisco) which can be refunded. The final actual election costs will not be known until after the election. Costs are billed after the election, as determined by the Registrar of Voters (ROV) offices.

Background information: In general, the costs for being on a major election ballot such as November 2012 are *significantly* lower than any standalone or "off-cycle" election. The charge for being on a ballot typically includes production and printing costs for the actual ballots, voter guides, and other voter materials, as well as polling place facility rentals, equipment rentals, poll worker stipends, other labor, etc.

The major factors determining actual costs are the number of registered voters, number of measures on a ballot, and length of the measures. All costs to any District or entity requesting a measure on the ballot are calculated proportionately by the ROV in arrears to either the space occupied on the ballot or other materials, or as a fraction determined by the number of jurisdictions represented in the election. For example, in San Francisco, if a measure takes up 1/20 of the ballot space, one would pay 1/20 of the printing cost.

For specific County details, please see the attached table on Election Costs.

County tax collection fees and procedures:

Fees: Each County has a rather unique schedule of fees for collecting such a parcel tax. They are generally based on a percentage of the total amount to be collected or a per parcel fixed fee, and are not based on the type of parcel (i.e., residential, commercial, etc.), formula complexity, nor region. These fees range from \$0.50 per parcel in Napa County to \$2.00 per parcel in Marin County, or as a percentage from 0.85% in Sonoma County to 1.7% in Alameda



County. A County will typically just deduct its fees before remitting to the taxing agency. A simple average (as an approximation only; note also that we have not received final details from San Francisco at the time of this memo) of these disparate fee structures is approximately \$0.65 per parcel or 6% of the total amount levied, assuming a \$10 per parcel tax.

Procedures: The general process in all 58 California Counties, including the Bay Area Counties, is that final tax roll amounts (calculated by the SFBRA or designee) are due approximately August 10 to the County Auditor for placement on tax bills that Fall. Remittances start in December of each year and continue to June 30. If the parcel tax was successful in November 2012, then the parcel and tax data would be due in August, 2013. First revenues would arrive in December 2013. Note that, if desired, Revenue Anticipation Notes (RAN) could provide for some earlier cash flows (this needs further investigation).

Remittances: A County may unilaterally determine if it wants to remit any such parcel taxes by actual collections or the alternative method of collection, known as the Teeter Plan. Actual collections are collections as remitted by the taxpayers, reflecting any delinquencies but also penalties and interest that accrue for any delinquent payments. On the other hand, under the Teeter Plan, a County will forward 100% of the amount requested for collection on the tax rolls in exchange for retaining the penalties and interest for any delinquencies (the County essential is a bank or "factor" for these receivables). Penalties are 10% for late payments and interest accrues at 18% per year starting at the beginning of the next fiscal year following any delinquency.

For specific details, please see the attached table on County Procedures and Charges.

Other Bay Area parcel tax measures:

To provide some context, please note the brief summaries below on two non-school Bay Area parcel taxes that are currently in effect. The first is a "flat" per parcel tax with the second having a variable rate structure and a senior exemption.

1) A-C Transit (portion of Alameda and Contra Costa counties): The current Measure VV is \$96 per parcel, regardless of land use. There are three exemptions: vacant; non-taxed uses; and developed but vacant for 6 months of year. For historical context, Measure AA was \$24 in 2003, which then was replaced by Measure BB at \$48, and then replaced by the current Measure VV. Note that the current measure VV derives 94% of its revenue from residential parcels. There are approximately 200K apartment units over 70K parcels and thousands of larger commercial parcels within the taxed area that are taxed the \$96 flat rate.

2) East Bay Regional Park District Measure CC: Measure CC is levied on approximately 200K parcel in two counties. The charge of \$12 is for single family residential parcels with a smaller amount (\$8) for multifamily type units. Non-residential is not taxed. There is a senior discount (50% of amount due). The Measure passed in November 2004.

Attachments:

Election Costs Table

Tax Collection Charges Table