



**Treasurer/Tax Collector
COUNTY OF TULARE
AGENDA ITEM**

BOARD OF SUPERVISORS

ALLEN ISHIDA
District One

PETE VANDER POEL
District Two

PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four

MIKE ENNIS
District Five

AGENDA DATE: June 23, 2009

Public Hearing Required	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Scheduled Public Hearing w/Clerk	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Published Notice Required	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Advertised Published Notice	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	N/A	<input type="checkbox"/>
Meet & Confer Required	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Electronic file(s) has been sent	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>
Budget Transfer (Aud 308) attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Personnel Resolution attached	Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Resolution, Ordinance or Agreements are attached and signature line for Chairman is marked with tab(s)/flag(s)						
	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>

CONTACT PERSON: Hiley Wallis PHONE: 559-636-5265

SUBJECT: Public Hearing to Consider the Discontinuance of the County Teeter Plan.

REQUEST(S):

That the Board of Supervisors:

1. Conduct a public hearing to take input regarding discontinuance of the County Teeter Plan; and
2. Adopt a resolution to discontinue the County Teeter Plan per California Revenue and Taxation Code 4702.

SUMMARY:

In 1949, an alternative method for distribution of property taxes and assessments known as the "Teeter Plan" was enacted under California Revenue and Taxation Code Section 4701-4717. Upon adoption and implementation by the county board of supervisors, local agencies for which the county acts as the "bank" receive the full amount of their apportionment of property taxes and assessments regardless of the amount of delinquencies experienced by the county in collecting taxes.

Conversion to the Teeter Plan requires agencies to forgo their distribution of penalties and interest, currently 1.5% per month on delinquent taxes subsequently collected. The agencies in return receive 100% of their secured tax levy each year. The risk of collection is therefore passed to the county who bears the risk of loss from delinquencies but in return receives the interest and delinquent penalties.

SUBJECT: Public Hearing to Consider the Discontinuance of the County Teeter Plan.

DATE: June 23, 2009

In 1993, the Tulare County Board of Supervisors elected to implement the Teeter Plan. Under California Revenue and Taxation Code 4702, the Board of Supervisors is authorized to discontinue the Teeter Plan prior to the commencement of any subsequent fiscal year.

The secured delinquency rate for 2007/2008 at May 31 is 7.17%; that equates to \$17,481,767. The secured tax roll delinquency rate at May 31 for 2008/2009 is 7.06%; that equates to \$18,239,026. The supplemental tax roll delinquency rate for 2007/08 at May 31 was 28.38%; that equates to \$6,553,590. The supplemental tax roll delinquency rate for 2008/09 for May 31 was 23.73%; that equates to \$3,498,137.

We recommend discontinuing the Teeter Plan. The Teeter Plan has created a financial burden on the County's General Fund as the County must finance the advancement of the delinquent taxes. Discontinuing the Teeter Plan will allow the County to apportion all taxes to taxing jurisdictions when the payments are received. These taxing jurisdictions will be eligible for penalties and interest on delinquent payments.

All participating revenue districts have been advised of this proposal. Attached is a spreadsheet showing current and prior amounts as of May 31, 2009.

FISCAL IMPACT/FINANCING:

The County of Tulare will no longer continue the Teeter Plan. Cash will not need to be borrowed to make the annual buyout. There will be programming costs which are undetermined at this time.

LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

This request is consistent with the County's objective in the County's five-year strategic business plan in its organizational performance to continuously improve organizational effectiveness and fiscal stability.

ALTERNATIVES:

1. Determine not to discontinue the Teeter Plan, which may impede and disrupt the County's General Fund cash flow. Loan arrangements must be made to satisfy cash flow needs.
2. Determine to continue the Teeter Plan, but remove the supplemental property taxes from the Teeter Plan because their delinquency rate exceeds 3%.
3. Sell Teeter Receivables to other entities.

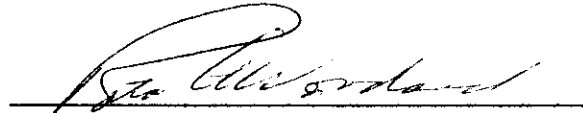
INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

County Administrative Office, County Counsel

SUBJECT: Public Hearing to Consider the Discontinuance of the County Teeter Plan.

DATE: June 23, 2009

ADMINISTRATIVE SIGN-OFF:

A handwritten signature in black ink, appearing to read "Rita A. Woodard", is written over a horizontal line.

Name Rita A. Woodard

Title Auditor-Controller/Treasurer-Tax Collector

Cc: Auditor/Controller
County Counsel
County Administrative Office (3)

Attachment(s)

A. Spreadsheet

B. Resolution

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

IN THE MATTER OF CONDUCTING A)
PUBLIC HEARING REGARDING)
DISCONTINUANCE OF THE COUNTY)
TEETER PLAN)

RESOLUTION NO. _____

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE
BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD _____
_____, BY THE FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: JEAN M. ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER/
CLERK, BOARD OF SUPERVISORS

BY: _____
Deputy Clerk

* * * * *

1. Conducted a public hearing to take input regarding discontinuance of the County Teeter Plan; and
2. Adopted a resolution to discontinue the County Teeter Plan per California Revenue and Taxation Code 4702.

**Summary of Teeter Return
1998 through 2009**

A	B	C	D	E	F	G=E/D	H=F/D	I=F/E
Fiscal Year	July 1 Balance	May 31 Buyout	Total Charged	Tax Collections and Adjustments	Penalty and Interest Collected	Percent of Tax Collections to Total	Percent of Return to Total Charged	Percent of Penalty Collected to Tax Collections
2009 Est	29,724,216	20,528,591	50,252,807	20,455,045	3,011,000	40.70%	5.99%	14.72%
2008	19,694,206	23,382,683	43,076,889	13,352,672	3,495,425	31.00%	8.11%	26.18%
2007	13,986,825	16,003,897	29,990,723	10,296,517	3,279,828	34.33%	10.94%	31.85%
2006	15,299,224	10,789,318	26,088,543	12,101,718	2,367,130	46.39%	9.07%	19.56%
2005	15,389,802	8,323,142	23,712,944	8,413,720	2,645,668	35.48%	11.16%	31.44%
2004	12,333,246	7,624,110	19,957,356	4,567,554	3,065,461	22.89%	15.36%	67.11%
2003	10,185,680	7,703,744	17,889,424	5,556,178	2,332,653	31.06%	13.04%	41.98%
2002	8,499,787	7,196,053	15,695,840	5,510,160	2,437,055	35.11%	15.53%	44.23%
2001	9,348,901	7,694,923	17,043,825	8,544,037	3,051,553	50.13%	17.90%	35.72%
2000	8,525,439	6,052,044	14,577,483	5,228,582	1,856,553	35.87%	12.74%	35.51%
1999	10,156,945	5,514,684	15,671,629	7,146,190	1,885,321	45.60%	12.03%	26.36%
1998	10,996,593	5,448,344	16,444,937	6,287,992	2,220,433	38.24%	13.50%	35.31%

BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA

In the Matter of Discontinuing)	R E S O L U T I O N
The County Teeter Plan)	NO.

WHEREAS, in accordance with the provision for Chapter 3 of Part 8 of Division 1 of the California Revenue and Taxation Code (the "Teeter Plan"), on June 29, 1993, the Board of Supervisors of the County of Tulare adopted Resolution #93-0748, which resolution adopted the alternate method of distribution of tax levies and collections of tax sale proceeds; and

WHEREAS, the legislative purpose of the Teeter Plan, as expressed in Section 4701 of the California Revenue and Taxation Code, is, *inter alia*, to simplify the tax levying and tax apportion process and to increase flexibility in the use of available cash resources; and

WHEREAS, the Count of Tulare is no longer able to finance the delinquent payments and in which such payments have become a financial burden to the County of Tulare's General Fund; and

WHEREAS, California Revenue and Taxation Code 4702 authorizes the County of Tulare to discontinue the Teeter Plan prior to the commencement of any subsequent fiscal year; and

WHEREAS, the County of Tulare has decided to discontinue the use of the Teeter Plan in accordance with California Revenue and Taxation Code 4702; and

WHEREAS, such discontinuance of the Teeter Plan will become effective at the commencement of the 2009/2010 fiscal year.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. The Board hereby finds that the County duly noticed and this Board held a hearing on June 23, 2009, regarding the proposed discontinuance of the Teeter Plan.
2. During the hearing, concerns were voiced by the public that the discontinuance of the Teeter Plan may result in budgeting and funding issues for several public agencies subject to the Teeter Plan.
3. The Board hereby finds that pursuant to California Revenue and Taxation Code Sections 4702, the County shall discontinue the use of the Teeter Plan.
4. The Board hereby directs the Auditor-Controller/Treasurer-Tax Collector and the Clerk to the Board to take such actions as are reasonable and appropriate to effectuate the purpose of this resolution, including the administration thereof.

5. The Board hereby finds that the resolution shall become effective on July 1, 2009.

The foregoing resolution was adopted on motion of Supervisor _____,
seconded by Supervisor _____, at a regular meeting of this Board
of Supervisors held on _____, 200__, by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: JEAN ROUSSEAU,
COUNTY ADMINISTRATIVE OFFICER/
CLERK BOARD OF SUPERVISORS

By:
