



STAFF REPORT

SUBJECT: Board of Equalization Fees

MEETING DATE: May 20, 2004

AGENDA ITEM: 7F

RECOMMENDATION:

Adopt a position opposing proposed elimination of the maximum cap on fees assessed by the state BOE for collection of Measure D local sales tax revenues.

DISCUSSION:

Legislation adopted in 1998 (AB 836, Sweeney) established a maximum administrative fee assessed by the Board of Equalization on special taxing districts for collection of local taxes. On April 27, 2004 the California State Assembly Budget Subcommittee #4 adopted a Legislative Analysts Office recommendation to remove this cap on administrative fees. This recommendation will now be forwarded as part of a package of budget recommendations that will be considered by the full Assembly Budget Committee. The State Senate Budget Subcommittee has also recommended removal of the fee cap.

For FY 2004-05, Santa Barbara County Association of Governments expects the Board of Equalization administrative fee to be \$427,454 to collect Measure D tax revenues. Removal of the cap on administrative fees could result in an increase of this administrative cost by nearly 50% to \$640,000 annually. This fee increase will reduce available Measure D revenues for both Local and Regional Programs by more than \$1 million dollars over 5 years.

The Self-Help Counties Coalition representing counties with local transportation sales tax programs is opposing this fee increase.

SBCAG staff recommends the Board of Directors vote to oppose this fee increase and communicate the Board's opposition to our State elected representatives and the Governor's office.

COMMITTEE REVIEW: None

STAFF CONTACT: Jim Kemp or Gregg Hart

Member Agencies

Buellton ■ Carpinteria ■ Goleta ■ Guadalupe ■ Lompoc ■ Santa Barbara ■ Santa Maria ■ Solvang ■ Santa Barbara County