



July 5, 2017

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The Honorable Mike McGuire  
Chair, Senate Governance and Finance Committee  
State Capitol, Room 408  
Sacramento, CA 95814

**RE: Assembly Bill 448 (Daly) – Local governments: parcel taxes: notice.  
Oppose Unless Amended – As amended May 18, 2017  
Set for Hearing: July 12, 2017 – Senate Governance and Finance Committee**

Dear Senator McGuire:

The California State Association of Counties (CSAC) opposes Assembly Bill 448 (Daly), unless amendments are taken on the provisions related to parcel tax notifications to residents who reside outside the jurisdiction where the parcel tax is levied. Numerous technical issues persist with this measure, which are exacerbated by the amendments dated May 18, 2017. In addition, we are unaware of the justification for the arbitrarily set deadline for when the notices must be mailed to parcel owners. We respectfully request that the May 18 amendments be stricken along with the notification deadline.

Existing law (AB 2476; Daly, 2016) requires cities, counties, special districts and school districts to notify property owners of a successfully passed voter-approved parcel tax if that property owner does not live within the jurisdiction where the parcel tax is applied. Unfortunately, this law as signed last year suffered from technical problems that we sought to address. Prior versions of AB 448 did offer clarification to the technical issues that persisted, including clarifying the role of the local agency and what types of taxes were subject to the law. However, AB 448 now proposes a law that cannot be implemented. This is largely due to the confusion about local agency boundaries and their administrative roles.

AB 448 would require that a parcel tax notification for a special district or school district be processed by the city or county in which the district is located. The special district or school district would then reimburse the city or county that processed the notice. This is problematic for several reasons related to implementation as well as cost burdens not only to the city or county but also the school district or special district.

Simply stated, this bill cannot be implemented as written. Special districts and school districts do not neatly align within established city or county boundaries. Districts can cross multiple cities and counties, covering both incorporated and unincorporated areas. It is unclear which county or city would be responsible for providing the notices for a given special district or school district. We are also very concerned about a compounded workload should a county have multiple notification demands at the same time as their own parcel tax notification or other overlapping jurisdictions.

Counties have also expressed concerns that a 30-day deadline to provide the notice by mail for their own agency is unfeasible and could create confusion for parcel owners with other tax bills or communication pieces. The workload problem would be exacerbated if the county must also provide notification for possibly several other local agencies. One county noted that a single parcel in their unincorporated area had 75 different owners. Another county reported

they would have to cross-reference over 8,000 parcel records, at a cost of \$500 per record (based on previous title search expenses) should AB 448 pass. In addition, cities would continue to have challenges accessing all of the appropriate county records in a timely manner between information from the County Assessor and the County Treasurer-Tax Collector, as would school districts and special districts.

Related to costs, AB 448 would have cities and counties incurring costs on behalf of special districts and school districts for administrative duties with no timeframe for repayment. The measure specifies that cost recovery by the city or county for the notification services is permitted and that revenues collected by the special district or school district from the new parcel tax may be used for this purpose, in lieu of seeking a mandate reimbursement. Special districts and school districts may face higher costs through contracting with another local agency in lieu of keeping these duties in-house or contracting with a third-party vendor. These costs further erode the intended voter-approved purpose of the parcel tax.

Regarding the deadline for notification, the 30 day requirement following the certification of the election is arbitrarily set and as previously mentioned, could create confusion with other tax bills or communication. For the aforementioned reasons, we respectfully request that the amendments dated May 18 be deleted along with the deadline for completing the notification process. Otherwise, AB 448 would create a new law that cannot be implemented. If you have any questions about our "oppose unless amended" position, please do not hesitate to contact me at (916) 650-8133.

Respectfully,

A handwritten signature in cursive script that reads "Dorothy Johnson".

Dorothy Johnson  
Legislative Representative

Cc: The Honorable Tom Daly, California State Assembly  
Honorable Members, Senate Governance and Finance Committee  
Colin Grinnell, Consultant, Senate Governance and Finance Committee  
Ryan Eisberg, Consultant, Senate Republican Caucus