

RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

\* \* \* \* \*

RESOLUTION AUTHORIZING THE PRESIDENT OF THE BOARD TO EXECUTE AN AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND THE TREASURER-TAX COLLECTOR REGARDING THE FINANCING OF THE ALTERNATE METHOD OF TAX APPORTIONMENT (THE “TEETER PLAN”) FOR FY 2019-20

---

**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that:

**WHEREAS**, on October 12, 1993, the Board of Supervisors adopted a resolution implementing the Teeter Plan for the 1993-94 tax year; and

**WHEREAS**, the Teeter Plan, which has been in effect in San Mateo County since that time, is set forth in Revenue & Taxation Code sections 4701 *et seq.* and allows the apportionment of all secured property taxes to the taxing agencies on the basis of taxes levied, not collected, with all rights to the collection of delinquencies and penalties belonging to the County; and

**WHEREAS**, the Teeter Plan benefits the cities, school districts, and special districts because they regularly and predictably receive the full amount of taxes levied during a tax year through periodic apportionments from the County Controller and benefits the County which collects penalties and interest on delinquent taxes that generally exceed the taxes advanced to the other agencies over time; and

**WHEREAS**, pursuant to State law, the second installment of countywide property taxes for fiscal year 2019-20 is due on April 10th of each year (the “Second Installment”); and

**WHEREAS**, in light of the current novel coronavirus (COVID-19) pandemic,

many taxpayers are experiencing financial distress and may be unable to make their Second Installment payment on time; and

**WHEREAS**, on April 15th of each year, the County Controller apportions property tax revenues to the taxing entities in the County (the “April Apportionment”) and, pursuant to past practice, following the April Apportionment, taxing entities receive 90% of their secured taxes for the fiscal year; and

**WHEREAS**, according to recent property tax collections information, it appears that property tax collections this year are trailing collections when compared to FY 2018-19; and

**WHEREAS**, as a result of the economic uncertainty caused by the COVID-19 pandemic as well as related delays in receiving Second Installment tax payments, and assuming the County delays the receipt of its share of the April Apportionment in the approximate amount of \$72,000,000, additional funds of approximately \$192,000,000 still may be needed in order for the County to satisfy its Teeter obligations to the cities, school districts, and special districts; and

**WHEREAS**, during the first year of the County’s participation in the Teeter Plan, the County entered into a loan agreement with the Treasurer-Tax Collector in order to fund the December 1993 apportionment payment to cities, school districts, and special districts; and

**WHEREAS**, in light of the current situation, it is recommended that the County enter into a similar agreement, with the loan to be paid with property tax collections, penalties, and interest that will be received in the coming months; and

**WHEREAS**, the maximum amount of the loan necessary to fund the April 2020

apportionment is estimated to be \$192,000,000, although the exact amount of monies needed will be decreased as additional property taxes are received prior to April 15th; and

**WHEREAS**, as with the County's 1993 Teeter loan, the interest rate on the loan to be paid by the County will be the earnings rate of the Treasury Pool in the prior quarter, net of costs and fees; provided, however, that such interest rate shall not be less than 0%; and

**WHEREAS**, all property taxes due by the Second Installment date will eventually be paid, as well as, in some cases, penalties and interest; and

**WHEREAS**, the Board has been presented with a form of loan agreement pursuant to which the County may borrow up to \$192,000,000 from the Treasury Pool for a term of up to 12 months at an interest rate no greater than the earnings rate of the Treasury Pool but no less than 0%, and has examined and approved it as to both form and content and desires to enter into the agreement.

**NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the President of this Board of Supervisors be and is hereby authorized and directed to execute said agreement for and on behalf of the County of San Mateo, and the Clerk of this Board shall attest the President's signature thereto.

**BE IT FURTHER RESOLVED** that the County Manager, or the County Manager's designee, is authorized to execute amendments to said loan agreement to effectuate the purposes of these resolutions.

\* \* \* \* \*