



County of San Mateo

Inter-Departmental Correspondence

Department: BOARD OF SUPERVISORS
DISTRICT 1
File #: 23-887

Board Meeting Date: 11/7/2023

Special Notice / Hearing: 10-Day Notice
(Gov. Code, § 50077)
Vote Required: Majority

To: Honorable Board of Supervisors
From: Supervisor Dave Pine, District 1
Subject: Special Parcel Tax for Extended Police and Structural Fire Services in County Service Area No. 1

RECOMMENDATION:

Conduct a public hearing on adoption of a special parcel tax at an annual rate not to exceed \$65 per parcel for extended police and structural fire protection services in County Service Area No.1, to be levied in each of the next four (4) fiscal years, effective upon voter approval:

- A) Open public hearing
- B) Close public hearing
- C) Adopt a resolution adopting a special parcel tax at an annual rate not to exceed \$65 per parcel for extended police and structural fire protection services in County Service Area No.1, to be levied in each of the next four (4) fiscal years, effective upon voter approval; and
- D) Adopt a resolution calling for an election in County Service Area No. 1 for the purpose of submitting to the voters of said area a ballot measure for the adoption of the special tax for extended police and structural fire protection services, and requesting that the election be consolidated with the March 5, 2024 Presidential Primary Election.

BACKGROUND:

County Service Area No.1 (CSA-1) was formed in 1955 to provide enhanced fire protection services within the district boundaries in the unincorporated areas of San Mateo County. With the creation of this service area, a portion of the property tax paid by the CSA-1 voters was set aside for these fire protection services. In 1966, the Board of Supervisors adopted a resolution adding police services to the CSA-1 budget, with such services to be provided by the County Sheriff.

With the passage of Proposition 13, property tax revenue in CSA-1 was reduced. In 1982, a two-

thirds (2/3) majority of the voters of CSA-1 approved a parcel tax to fund the enhanced level of police and fire service they desired. The 1982 ballot measure set the not-to-exceed amount of the tax at \$110 per parcel. The district voters renewed the special tax in 1986 and 1991 with a not-to-exceed amount of \$110. In 1996, due to the ongoing actual assessed rate of \$65 per parcel, the not-to-exceed amount proposed on the ballot was reduced, and a \$65 per parcel maximum tax has thereafter been approved by district voters in 1996, 2000, 2004, 2007, 2012, 2016, and, most recently, 2020.

The Board of Supervisors sets the actual amount of the tax at a public hearing each year. The actual amount of the tax is based on projected annual income and expenses for CSA-1. Since the special tax was first adopted in 1982, the actual levy has never been more than \$65 per parcel.

DISCUSSION:

The current parcel tax authorization expires on June 30, 2024. This Board is being asked to consider two resolutions. The first resolution adopts a special tax for extended fire and police services in CSA-1 for four (4) fiscal years beginning in FY 2024-2025 and ending in FY 2027-2028 at a maximum annual rate of \$65 per parcel to be applied uniformly to all non-exempt parcels. The second resolution calls for an election on the proposed tax and requests that the election be consolidated with the March 5, 2024 Presidential Primary Election.

If the voters of CSA-1 approve the special tax measure by a two-thirds (2/3) vote, the County will continue to levy the tax beginning in FY 2024-2025. Each fiscal year, the Board of Supervisors will hold a public hearing to set the actual tax rate to be levied, up to the maximum of \$65 per parcel.

The proceeds of the tax will be used for extended fire and police services in CSA-1, and for no other purpose. The County will create an account into which the proceeds of the tax are deposited and will submit to the Board an annual report containing a description of the amount of funds collected and expended.

The County Attorney has reviewed and approved as to form both resolutions.

FISCAL IMPACT:

As a County service area, the revenue generated by the CSA must pay for 100% of its expenses. CSA-1's projected expenses for FY 2024-2025 is \$4,033,369, and the current parcel tax generates about \$90,000 a year, which is less than 2% of the total anticipated revenues for FY2024-2025 (\$5,323,409). Though CSA-1 currently has reserves of approximately \$1,000,000, those funds will be used for future vehicle and facility replacement costs. The County's General Fund will pay the costs of the proposed consolidated CSA-1 parcel tax election, which costs are currently estimated to total approximately \$25,000, subject to reimbursement from CSA-1.