

LAKE COUNTY

Teeter Plan

Board Report 2020

Prepared by the
Office of the Auditor-Controller

TEETER DEFINED

- An alternative method of allocating property tax revenues.
 - Secured, utility, assessments and/or supplemental taxes
 - Taxing jurisdictions receive their full assessed property tax, regardless of collection.
 - Sponsoring County takes on burden of delinquent property taxes in exchange for the statutory penalties and interest on those delinquent taxes.
 - In the first year of implementation the County buys out the delinquent roll.
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TEETER BENEFITS

- Jurisdictions are provided a more stable and reliable annual property tax revenue stream.
 - County receives the penalties and interest on delinquent property tax collections.
 - Property tax estimation and allocation process is simplified for all taxing jurisdictions.
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TEETER PLAN HISTORY

- First enacted in 1949. R&T §4701 et seq.
 - Five counties originally adopted
 - Contra Costa, El Dorado, Modoc, Siskiyou and Solano.

- 1993-94 Legislation to receive one-time credit from the State. R&T §97.3(a)(5).

- As of 2015 more than 90% of California counties participate.

LAKE COUNTY TEETER PLAN

- Resolution 93-234 approved Teeter Plan. R&T Code §4701
 - Extensive analysis, public hearings, individual taxing jurisdiction meetings.
- Resolution 96-187 authorized County Treasury to fund Lake County Teeter Plan
 - Secured taxes only.
- Initial buyout of the delinquent secured roll was \$4.3m funded by a combination of County Treasury and one time credit allowable per R&T Code §97.36(a)

LAKE COUNTY TEETER FUNDS

Alternative Tax Apportionment-Tax Loss Reserve

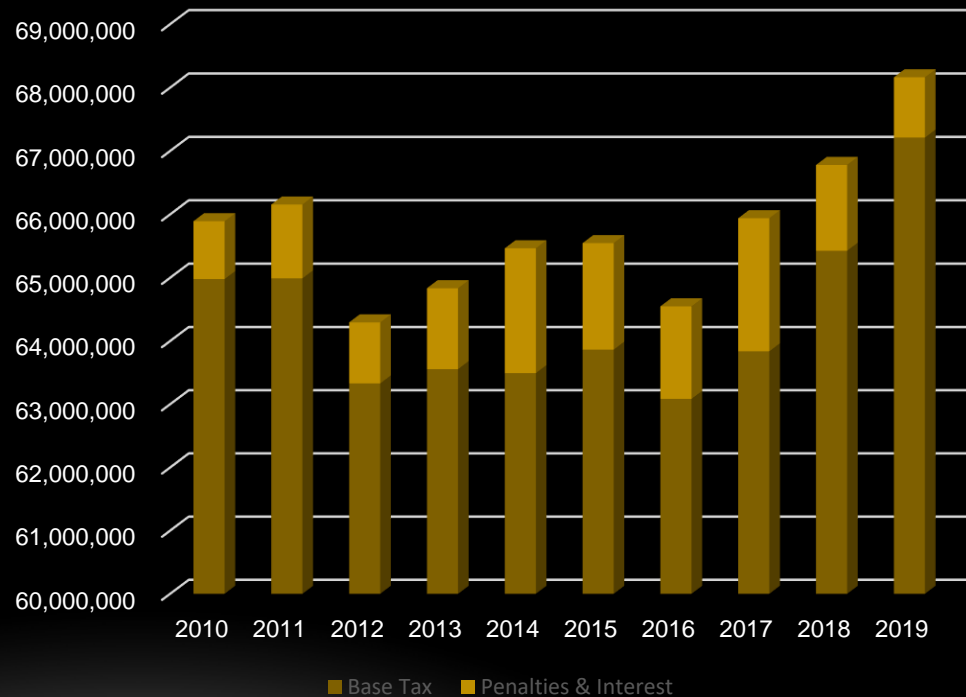
- ✓ Receives penalties, interest, and unclaimed excess proceeds from sale of defaulted properties
- ✓ Used to cover losses that may occur as a result of sales of tax defaulted property
- ✓ Statutory minimum of 1% of secured roll is maintained.(R&T Code §4703)

Alternative Tax Apportionment-Tax Resource

- ✓ Receivables, collections and distributions

Teetered Secured Base Tax, Penalties and Interest

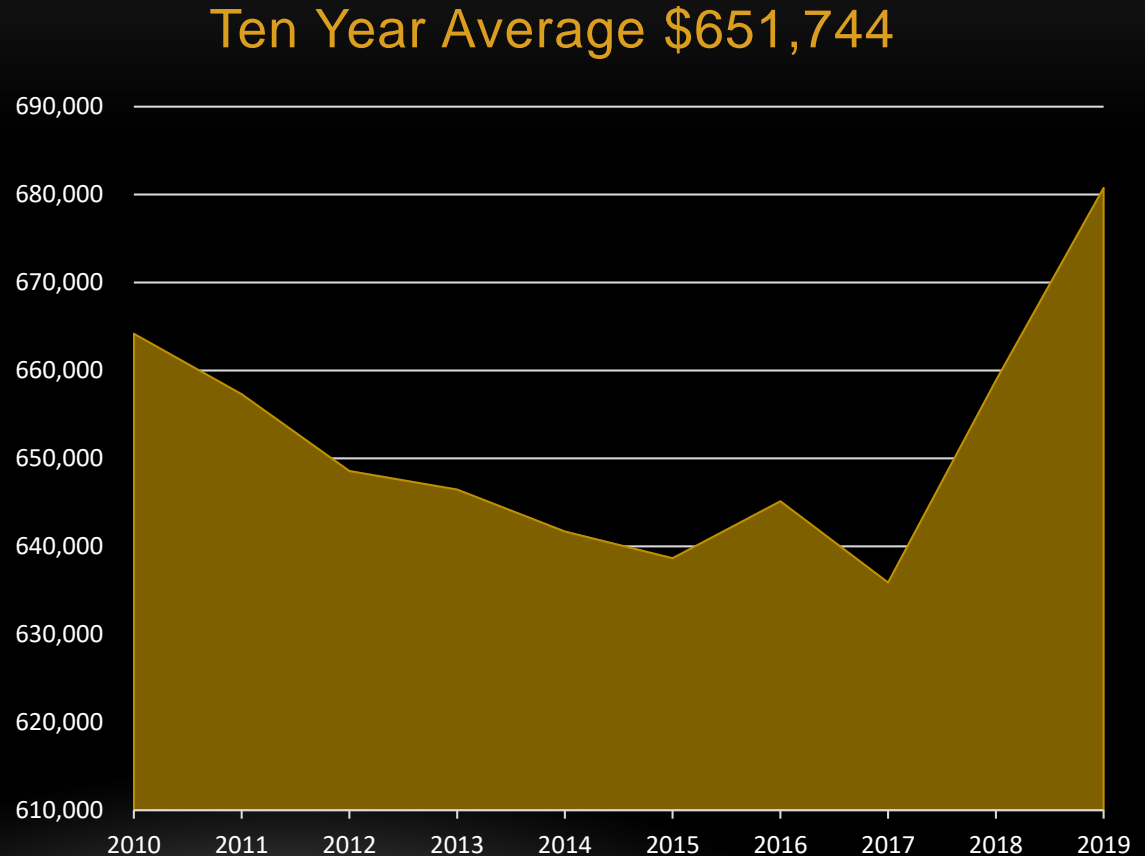
	Base Tax	Penalties & Interest
2010	64,979,535	912,691
2011	64,990,859	1,164,785
2012	63,329,449	966,065
2013	63,555,079	1,279,998
2014	63,492,392	1,972,952
2015	63,864,523	1,682,595
2016	63,085,233	1,464,169
2017	63,837,955	2,101,831
2018	65,426,375	1,353,924
2019	67,211,688	950,669



Data compiled by the Property Tax Division of the Auditor-Controller's Office

Tax Loss Reserve Fund

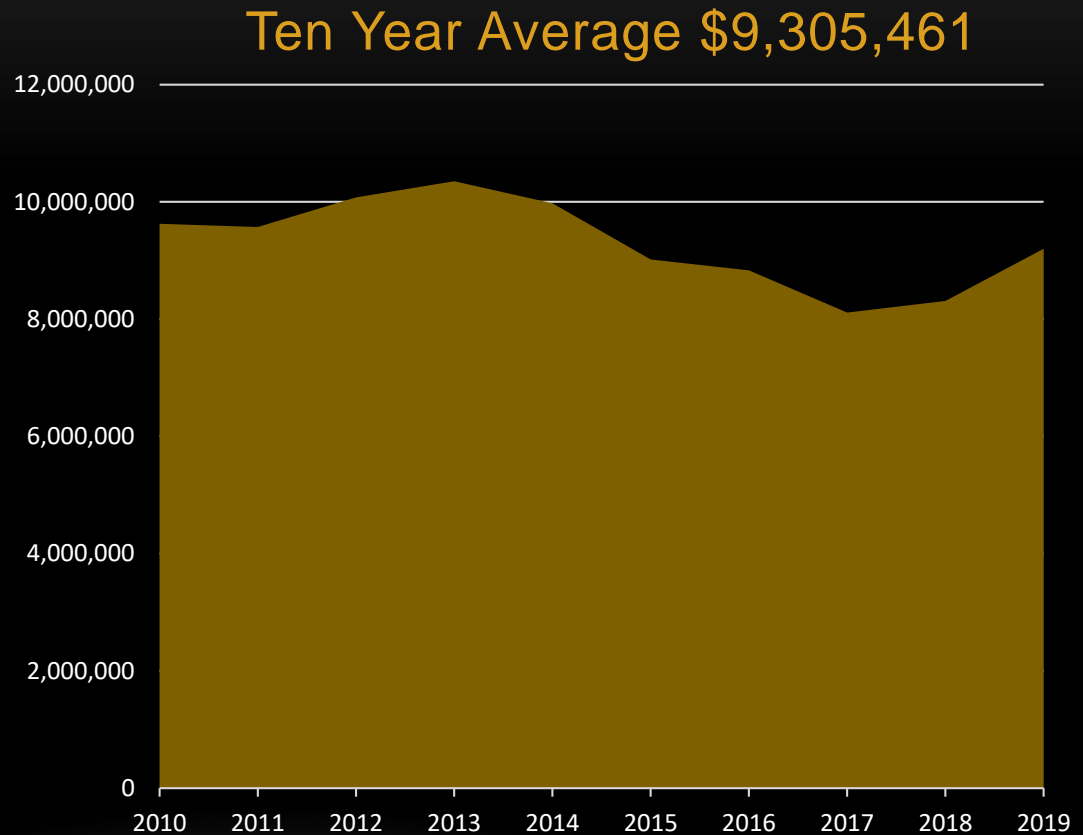
2010	664,169
2011	657,293
2012	648,561
2013	646,457
2014	641,689
2015	638,653
2016	645,122
2017	635,891
2018	658,859
2019	680,750



Data compiled by the Property Tax Division of the Auditor-Controller's Office

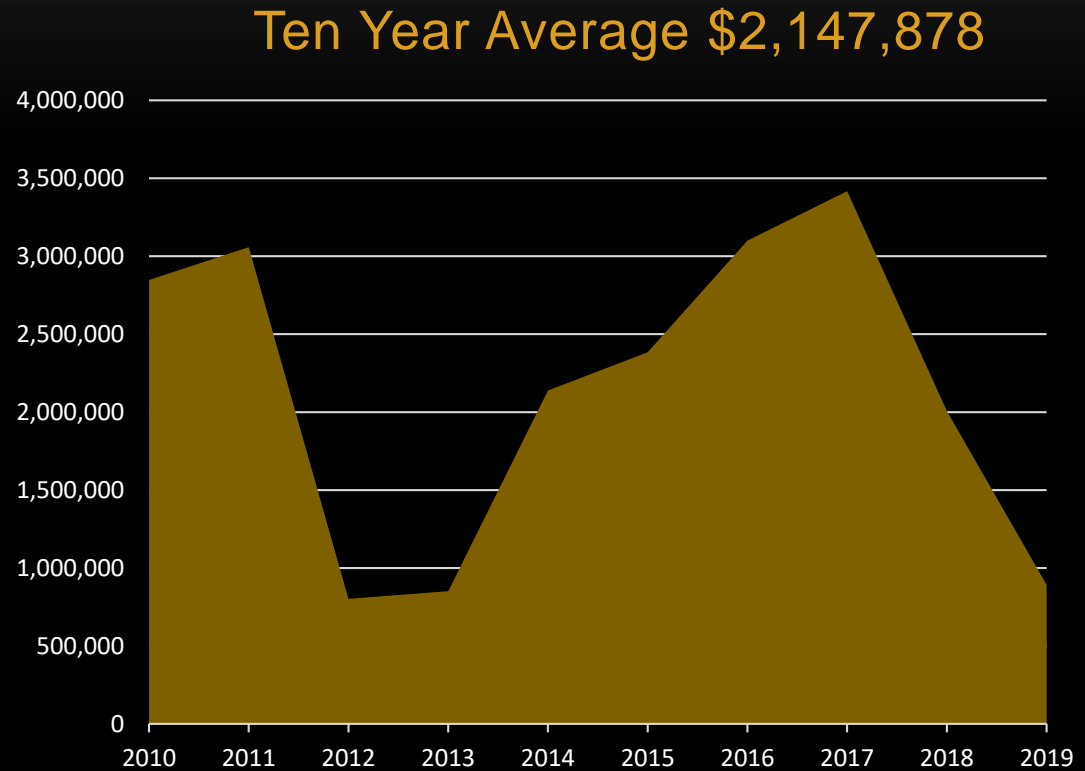
Tax Resource Fund

2010	9,623,934
2011	9,570,598
2012	10,075,322
2013	10,350,515
2014	9,974,505
2015	9,014,678
2016	8,830,153
2017	8,108,707
2018	8,308,047
2019	9,198,154



Transfers to General Fund

2010	2,845,588
2011	3,056,034
2012	800,000
2013	850,000
2014	2,136,392
2015	2,382,257
2016	3,098,743
2017	3,414,924
2018	2,005,249
2019	889,594



Summary

Teeter counties experience the benefit of:

- ✓ A revenue base that can be relied upon for all taxing jurisdictions.
 - ✓ An investment mechanism for the County general fund.
 - ✓ Penalties and interest
 - ✓ Revenue stream support of our local jurisdictions
 - ✓ A simplified property tax estimation and allocation process.
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QUESTIONS ?

Additional Information

[http://www.lakecountycalifornia.gov/Government/
Directory/AuditorController.htm](http://www.lakecountycalifornia.gov/Government/Directory/AuditorController.htm)