

Marin County School Boards Association

School District Accountability to Local Taxpayers



MARIN COUNTY
OFFICE OF EDUCATION
Supporting Learning for ALL Students



**Government
Financial Services**

Joint Powers Authority

February 4, 2026
Presented by Lori Raineri and Keith Weaver

No. 1 Risk Management Question



Agenda

- ◆ Framework for Property Taxes in California
- ◆ Parcel Tax Measures
- ◆ Bond Measures
- ◆ Conclusion

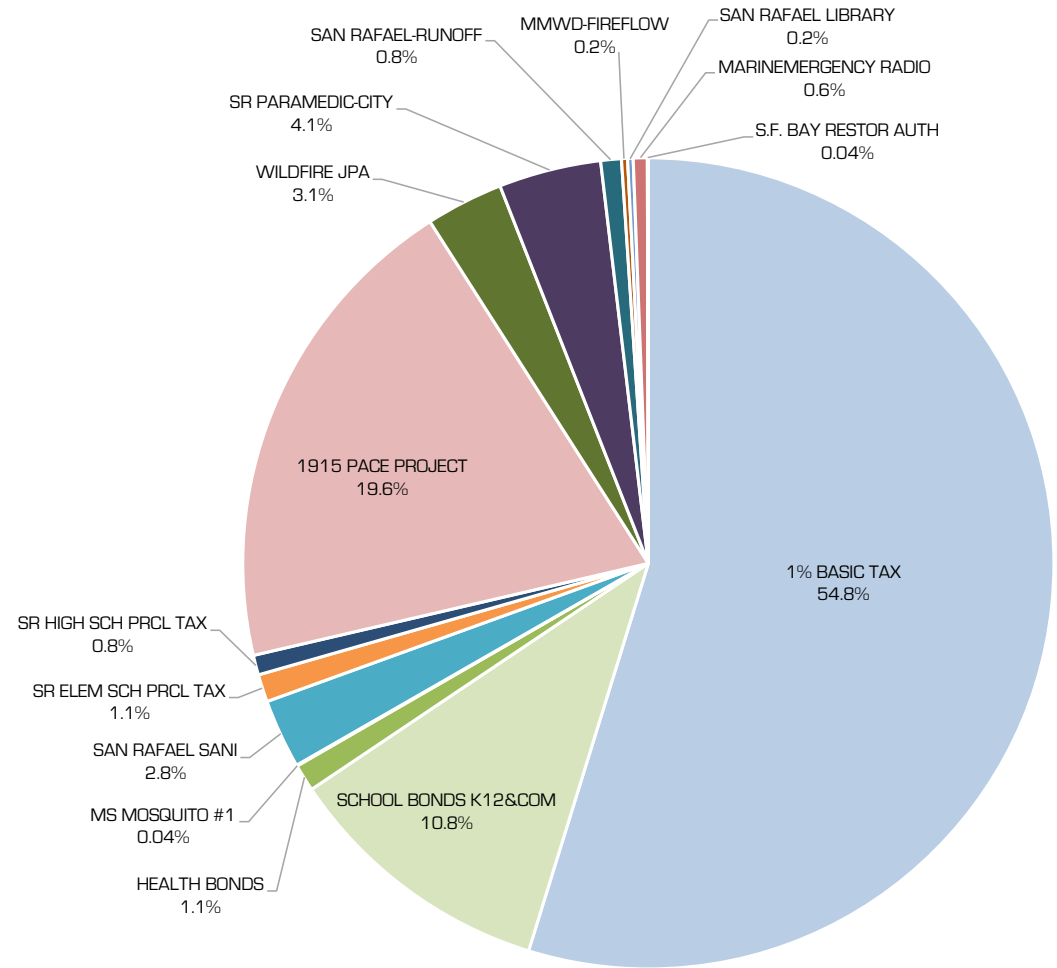


Property Tax Bills Have Lots of Detail

(About the Smaller Items)

Bill Details		Values	
Owner:		Land Value:	\$69,684.00
Parcel Number:	009-320-41	Improvement:	\$1,469,834.00
Bill Number:	23-1165106	Business Property:	\$34,133.00
Bill Date:	09/29/2023	Personal Property:	\$134,999.00
Tax Rate Area:	008-023	Total Value:	\$1,708,650.00
Tax Roll Year:	2023/24	Home Exemption:	\$0.00
Bill Type:	Secured	Other Exemption:	\$0.00
		Net Value:	\$1,708,650.00

Property Tax Charges					
Levy	Name	Rate/Fund	Install 1	Install 2	Total
0	BASIC TAX	1.0000	\$8,543.25	\$8,543.25	\$17,086.50
1	SCHOOL BONDS K12&COM	0.1976	\$1,688.04	\$1,688.04	\$3,376.08
1	HEALTH BONDS	0.0197	\$168.29	\$168.29	\$336.58
3	MS MOSQUITO #1	105110	\$6.00	\$6.00	\$12.00
3	SAN RAFAEL SANI	105468	\$430.32	\$430.32	\$860.64
3	SR ELEM SCH PRCL TAX	107451	\$171.34	\$171.34	\$342.68
3	SR HIGH SCH PRCL TAX	107741	\$123.07	\$123.07	\$246.14
3	1915 PACE PROJECT	109285	\$3,056.04	\$3,056.04	\$6,112.08
3	WILDFIRE JPA	101130	\$482.11	\$482.11	\$964.22
3	SR PARAMEDIC-CITY	109113	\$636.16	\$636.16	\$1,272.32
3	SAN RAFAEL-RUNOFF	109162	\$128.34	\$128.34	\$256.68
3	MMWD-FIREFLOW	109192	\$37.50	\$37.50	\$75.00
3	SAN RAFAEL LIBRARY	109263	\$34.53	\$34.53	\$69.06
3	MARINEMERGENCY RADIO	109283	\$87.00	\$87.00	\$174.00
3	S.F. BAY RESTOR AUTH	109290	\$6.00	\$6.00	\$12.00
Total Tax:			\$15,597.99	\$15,597.99	\$31,195.98
Penalty:			\$0.00	\$0.00	\$0.00
Additional Penalty:			\$0.00	\$0.00	\$0.00
Amount Paid:			\$15,597.99	\$15,597.99	\$31,195.98
Delinquent Date:			12/10/2023	04/10/2024	
Paid Date:			12/05/2023	12/21/2023	
Total Due:			\$0.00	\$0.00	\$0.00



- ◆ Basic Tax is 1% of property value and more than half of the total.
- ◆ All other items total 0.83% of property value and have the details.

Proposition 13

- ◆ Proposition 13 both:
 - ▶ Limited property taxes
 - ▶ Created a new type of property tax
- ✓ *We'll discuss both...*



Proposition 13 Limitation on Ad Valorem Taxes

California Constitution

Article XIII A [Tax Limitation]

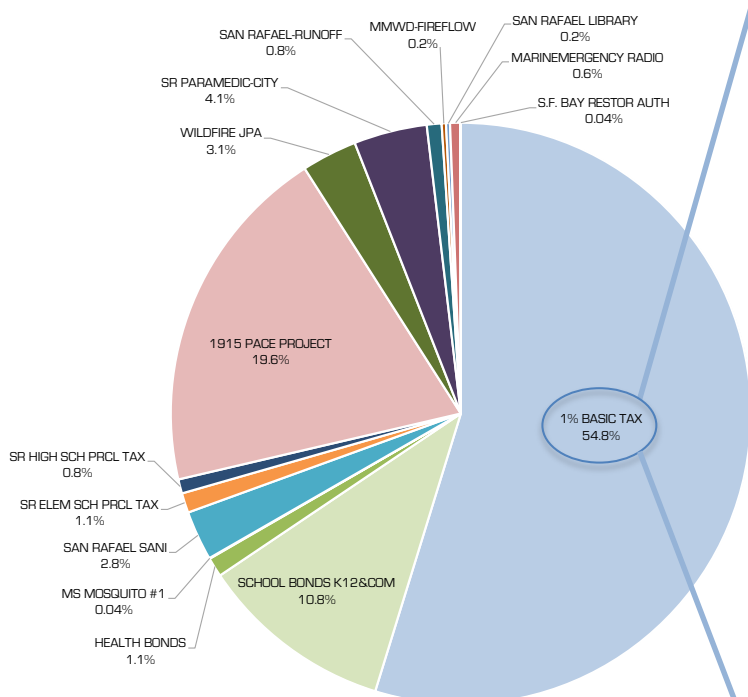
(Article 13A added June 6, 1978, by Prop. 13. Initiative measure.)

Section 1.

(a) The maximum amount of any ad valorem tax on real property shall not exceed One percent (1%) of the full cash value of such property. The one percent (1%) tax to be collected by the counties and apportioned according to law to the districts within the counties.

- ✓ *Article XIII A Section 1 was amended twice to allow school bonds:*
 - *with a two-thirds vote (1986)*
 - *and with a 55% vote (2000)*
- ✓ *In each county, the 1% is apportioned to each taxing agency based primarily on the historical distribution of all property taxes pre-Proposition 13.*

County Web Site Shows Distribution to “Schools”



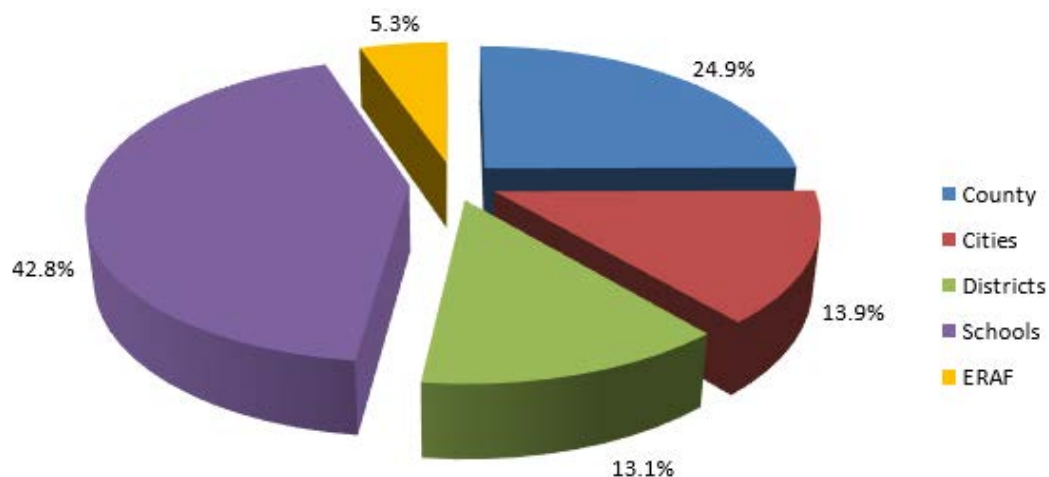
www.marincounty.org/depts/df/where-your-tax-dollars-go

Where Your Property Tax Dollars Go

Questions and Answers

Where do your basic (1%) Property Taxes go?

Where do your basic (1%) property taxes go?



ERAF: 5.3% represents the amount of basic property tax contributed to the Education Revenue Augmentation Fund (ERAF) that is directly allocated to School Funding.

42.8% Schools, 13.1% Districts, 13.9% Cities, 24.9% County and 5.3% ERAF.

Find detailed information on your parcel by visiting the [Property Tax Inquiry](#) page.

Proposition 13 Creation of Special Taxes

California Constitution

Article XIII A [Tax Limitation]

(Article 13A added June 6, 1978, by Prop. 13. Initiative measure.)

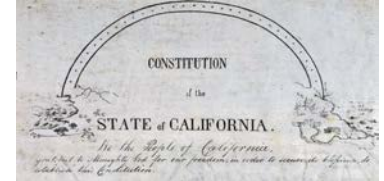
Section 4.

Cities, Counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district, except ad valorem taxes on real property or a transaction tax or sales tax on the sale of real property within such City, County or special district.

- ✓ *In 1979, Government Codes 50075 - 50077.5 were adopted allowing “voter-approval special taxes”.*
 - *“It is the intent of the Legislature to provide all cities, counties, and districts with the authority to impose special taxes, pursuant to the provisions of Article XIII A of the California Constitution.”*
- ✓ *In 1987, Government Codes 50079 - 50079.6 were adopted allowing:*
 - *“qualified special taxes” which must be “applied uniformly to all taxpayers or all real property within the school district except that unimproved property may be taxed at a lower rate than improved”*

How School Districts Levy Taxes Directly

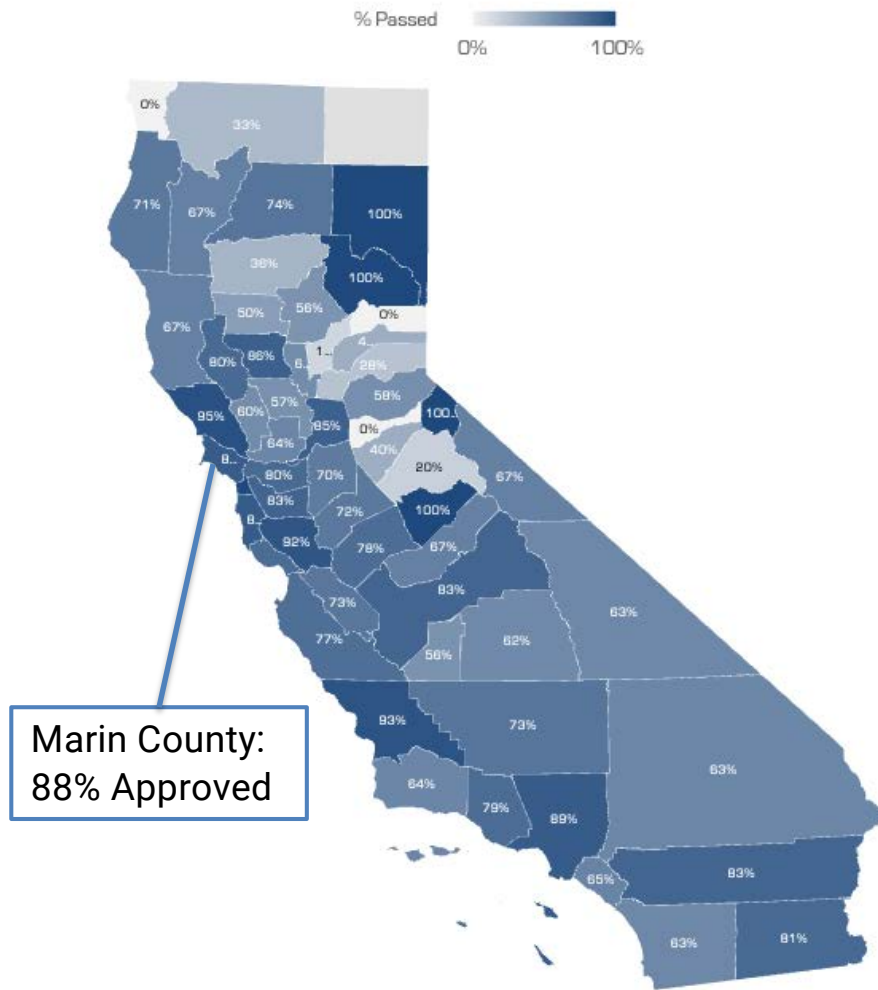
- ◆ California Constitution allows four methods for school districts to raise local funds:



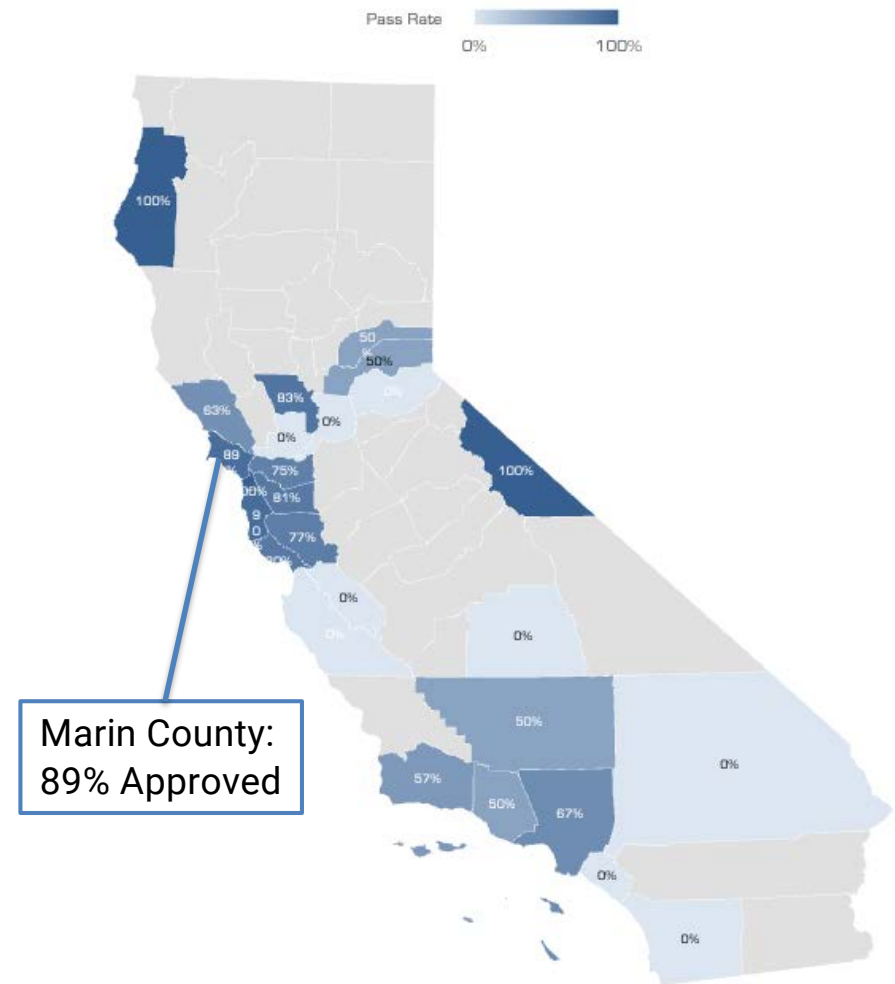
1. General Obligation Bonds (Education Code)
 - Very common among school districts statewide
2. Parcel taxes (Government Code)
 - More popular in certain areas of the State
3. Assessment Districts (Streets & Highways Code)
 - Assessment based on “special benefit” the payer receives
 - Therefore, not used by school districts; typically used for user-oriented infrastructure such as water, sewer, parks, etc.)
4. “Mello-Roos” Community Facilities Districts (Gov. Code)
 - Typically used in newly developing areas
 - Not currently used by school districts in Marin County

High Acceptance in Marin County

Since 2010, 74% of School District 55% Bond Measures Have Been Approved Statewide



Since 2010, 74% of School District Parcel Taxes Have Been Approved Statewide



Note: K-12 election and parcel tax data from California Local Government Finance Almanac (www.californiacityfinance.com). Data for primary and general elections 2010-2024

Agenda

✓ Framework for Property Taxes in California

◆ Parcel Tax Measures

◆ Bond Measures

◆ Conclusion



Parcel Tax Measures

- ◆ Must be applied uniformly to all taxpayers or all real property
 - ▶ Except unimproved property may be taxed lower than improved
- ◆ Typically levied as a rate per parcel (thus the term "parcel tax")
- ◆ Required annual report to the Board
- ◆ Optional features:
 - ▶ Limitation on term of tax
 - ▶ Inflation adjustment (fixed rate or based on CPI)
 - ▶ Citizens' oversight committee
 - ▶ Annual financial and performance audits
- ◆ Legally authorized exemptions (optional):
 - ▶ Persons who are 65 years of age or older (senior citizens)
 - ▶ Persons receiving Supplemental Security Income for a disability
 - ▶ Persons receiving Social Security Disability Insurance benefits



School District Parcel Tax Elections in Marin County

(Since 2010)

<i><u>District</u></i>	<i><u>Election Date</u></i>	<i><u>Rate</u></i>	<i><u>Term</u></i>	<i><u>Result</u></i>	<i><u>Approval</u></i>
1 Bolinas-Stinson SD	June 2013	\$300	6	Pass	68.7%
2 Bolinas-Stinson SD	August 2019	\$318	5	Pass	73.8%
3 Bolinas-Stinson SD	November 2024	\$390	5	Pass	72.1%
4 Kentfield SD	November 2016	\$1,600	10	Fail	57.7%
5 Kentfield SD	March 2018	\$1,498	10	Pass	68.5%
6 Lagunitas SD	August 2017	\$535	8	Pass	71.8%
7 Lagunitas SD	January 2026	\$850	9	Pass	77.8%
8 Larkspur-Corte Madera SD	May 2016	\$679	8	Pass	68.1%
9 Larkspur-Corte Madera SD	June 2022	\$910	10	Pass	77.3%
10 Mill Valley SD	November 2012	\$196	8	Pass	71.4%
11 Mill Valley SD	November 2016	\$980	12	Pass	66.8%
12 Miller Creek SD	May 2011	\$352	8	Pass	80.1%
13 Miller Creek SD	June 2018	\$470	12	Pass	70.6%
14 Nicasio SD	May 2015	\$573	10	Pass	67.3%
15 Nicasio SD	May 2024	\$748	10	Pass	74.3%
16 Novato USD	May 2014	\$251	8	Pass	80.9%
17 Novato USD	March 2020	\$376	8	Fail	55.4%
18 Novato USD	March 2023	\$251	8	Pass	83.3%
19 Reed SD	May 2014	\$508	8	Pass	78.2%
20 Reed SD	November 2019	\$589	12	Pass	74.8%
21 Ross SD	November 2014	\$955	8	Pass	75.6%
22 Ross SD	November 2022	\$1,550	10	Pass	78.7%
23 Ross Valley SD	June 2012	\$458	8	Pass	73.9%
24 Ross Valley SD	June 2018	\$622	8	Pass	77.0%
25 San Rafael City ESD	May 2013	\$204	8	Pass	78.6%
26 San Rafael City ESD	May 2021	\$323	8	Pass	68.4%
27 San Rafael City HSD	May 2013	\$146	8	Pass	79.1%
28 San Rafael City HSD	May 2021	\$232	8	Pass	69.6%
29 Sausalito Marin City SD	November 2024	0.15/sqft	8	Pass	70.1%
30 Shoreline USD	November 2012	\$185	8	Pass	71.5%
31 Shoreline USD	November 2020	\$212	8	Pass	79.4%
32 Tamalpais UHSD	November 2011	\$246	10	Pass	73.4%
33 Tamalpais UHSD	November 2018	\$149	4	Pass	71.9%
34 Tamalpais UHSD	March 2020	\$645	10	Fail	63.7%
35 Tamalpais UHSD	November 2020	\$469	9	Pass	73.6%
Marin County Median:		\$464	8	Pass: 91%	73.4%

Very few failed elections and even those that fell short received higher than 55% voter approval

Parcel tax elections can occur as special / vote by mail elections in addition to the Statewide / regularly scheduled elections

*List includes ballot measures not previously included in the Statewide database due to being identified by the County of Marin as part of a local special / vote by mail election.
Note: source data for 2010 to 2024 from Education Data Partnership (a partnership of CDE (California Department of Education), EdSource (a 501(c)(3) nonprofit organization), FCMAT (Fiscal Crisis and Management Assistance Team), California Local Government Finance Almanac (CaliforniaCityFinance.com), California Election Data Archive (CEDA), School Services of California, and Marin County Registrar of Voters.

16 of 17 Districts in the County Have Parcel Taxes

(FY 2025-26)



John A. Carroll

Marin County Superintendent of Schools
Business Services Department

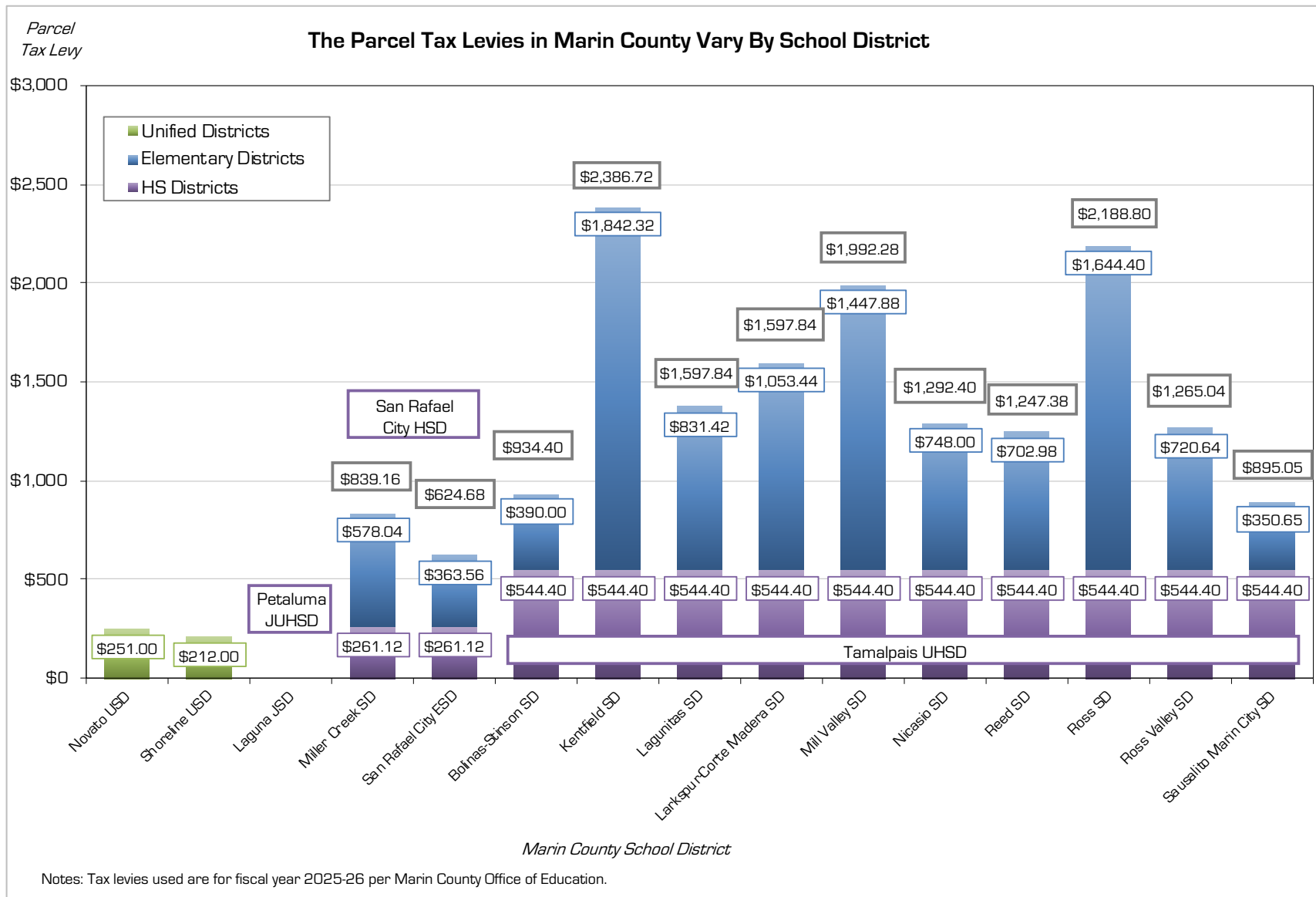
MARIN COUNTY SCHOOL DISTRICTS PARCEL TAX SUMMARY **AS OF SEPTEMBER 18, 2025**

September 18, 2025

DISTRICT	Term	Initial Amount	Annual Inflation	2025-26 Amount	Election Date	Effective Date	Expiration Date
Bolinas-Stinson	5 yrs	\$ 390.00	3%	\$ 390.00	11/5/2024	7/1/2025	6/30/2030
Kentfield	10 yrs	\$ 1,498.00	3%	\$ 1,842.32	3/6/2018	7/1/2018	6/30/2028
Lagunitas	8 yrs	\$ 535.00	6.5%	\$ 831.42	11/7/2017	7/1/2018	6/30/2026
Larkspur-Corte Madera	10 yrs	\$ 910.00	5%	\$ 1,053.44	6/7/2022	7/1/2022	6/30/2032
Mill Valley	12 yrs	\$ 980.00	5%	\$ 1,447.88	11/8/2016	7/1/2017	6/30/2029
Miller Creek	12 yrs	\$ 470.00	3%	\$ 578.04	5/8/2018	7/1/2018	6/30/2030
Nicasio	10 yrs	\$ 748.21	3%	\$ 748.00	5/7/2024	7/1/2025	6/30/2035
Novato	8 yrs	\$ 251.00	None	\$ 251.00	3/7/2023	7/1/2023	6/30/2031
Reed	12 yrs	\$ 589.00	3%	\$ 702.98	11/5/2019	11/6/2019	6/30/2031
Ross	10 yrs	\$ 1,550.00	3%	\$ 1,644.40	11/2/2022	7/1/2023	6/30/2032
Ross Valley	8 yrs	\$ 621.66	3%	\$ 720.64	6/5/2018	7/1/2020	6/30/2028
San Rafael Elementary	8 yrs	\$ 323.00	3%	\$ 363.56	5/4/2021	7/1/2021	6/30/2029
San Rafael High	8 yrs	\$ 232.00	3%	\$ 261.12	5/4/2021	7/1/2021	6/30/2029
Sausalito-Marín City	8 yrs			\$ 350.65	11/6/2024	7/1/2025	6/30/2033
Shoreline	9 yrs	\$ 212.00	None	\$ 212.00	11/3/2020	7/1/2021	6/30/2029
Tamalpais	9 yrs	\$ 469.00	3%	\$ 544.40	11/3/2020	11/4/2020	6/30/2029

Note: Laguna Joint SD does not currently have a parcel tax.

Marin County Parcel Tax Levy Comparison



Parcel Tax Exemptions in Marin County

<u><i>School District</i></u>	<u><i>Deadline</i></u>	<u><i>Senior Citizen</i></u>	<u><i>SSI</i></u>	<u><i>SSDI</i></u>	<u><i>Multiple Parcels</i></u>
Bolinas - Stinson Union SD	July 1	X			X
Kentfield ESD	July 1	X			
Lagunitas ESD	May 1	X			X
Larkspur-Corte Madera SD	June 15	X	X	X	X
Mill Valley SD	May 1	X			
Miller Creek ESD	None listed	X			
Nicasio SD	May 1	X			
Novato USD	December 31	X			
Reed Union SD	June 1	X			
Ross SD	September 1	X			
Ross Valley ESD	August 1	X			
San Rafael City ESD	Effective in 30 days	X	X	X	X
San Rafael City HSD	Effective in 30 days	X	X	X	
Sausalito Marin City SD	May 30	X	X	X	
Shoreline USD	June 30	X	X	X	
Tamalpais UHSD	May 1	X	X	X	X
Unique Dates: 10		16	6	6	5

Notes: Senior Citizen is 65 years or older. SSI is Supplemental Security Income for a disability. SSDI is Social Security Disability Insurance. Multiple parcels provides for adjacent parcels which have a single purpose and same owner to be treated as a single parcel. Data per district websites and exemption forms.

A Recent Court Case

August 10, 2023

Breaking News: District Parcel Tax Based on Square Footage with a Cap is Legal



DWK recently prevailed in the California Court of Appeal on a case of significant impact for school districts. In *Traiman v. Alameda Unified School District* (August 3, 2023; No. A164935, A166022), the Court opined that a district's parcel tax "applied uniformly" where it levied a square-footage-based tax with a maximum amount of tax. The Court held the parcel tax applied uniformly to all parcels because it applied one formula to each applicable parcel, thus rejecting arguments that the square-foot-tax with a cap created improper taxing classifications. The ruling provides guidance and extends flexibility to districts when seeking parcel tax approval from voters.

- ◆ A school district was recently successful with a lawsuit challenging a parcel tax with an atypical rate formula.
- ◆ Same rate for every parcel type is the common approach.
- ◆ Anything else may receive heightened scrutiny and challenges.
- ◆ Recommend consultation with legal counsel before pursuing anything other than the common approach.

Risk Management: What Could Go Wrong?

◆ Parcel tax is not renewed



◆ Risk:

- ▶ Parcel taxes *supplant* the structural operating budget
 - Reliance on parcel tax to pay salaries & benefits
 - Supporting basic services, class sizes, teachers, etc.

◆ Risk management:

- ▶ Parcel taxes *supplement* the structural operating budget
 - Well-defined and identified programs and positions
 - Examples: VAPA, music, libraries, counselors, sports, etc.

Agenda

✓ Framework for Property Taxes in California

✓ Parcel Tax Measures

◆ Bond Measures

◆ Conclusion



General Obligation Bond Measures

- ◆ 55% voter approval required*
- ◆ May fund construction, reconstruction, rehabilitation, or replacement of school facilities, including furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities
- ◆ Election dates limited to primary or general election, regularly scheduled local election, or statewide special election
- ◆ Maximum projected tax levy per \$100,000 of assessed value of \$60 for a unified and \$30 for a union school district
- ◆ Citizens' Oversight Committee
- ◆ Additional accountability and auditing requirements



* 55% voter approval bond measures for school districts authorized pursuant to the passage of Proposition 39 in November 2000. There is also a 2/3 voter approval option: funds are restricted to acquisition or improvement of real property, elections can be any Tuesday that is not the day before or the day after a State holiday, or within 45 days of a statewide election, there is no maximum projected tax levy, no requirement for a citizens' oversight committee, nor additional auditing and accountability requirements.

School District GO Bond Elections in Marin County

(Since 2010)

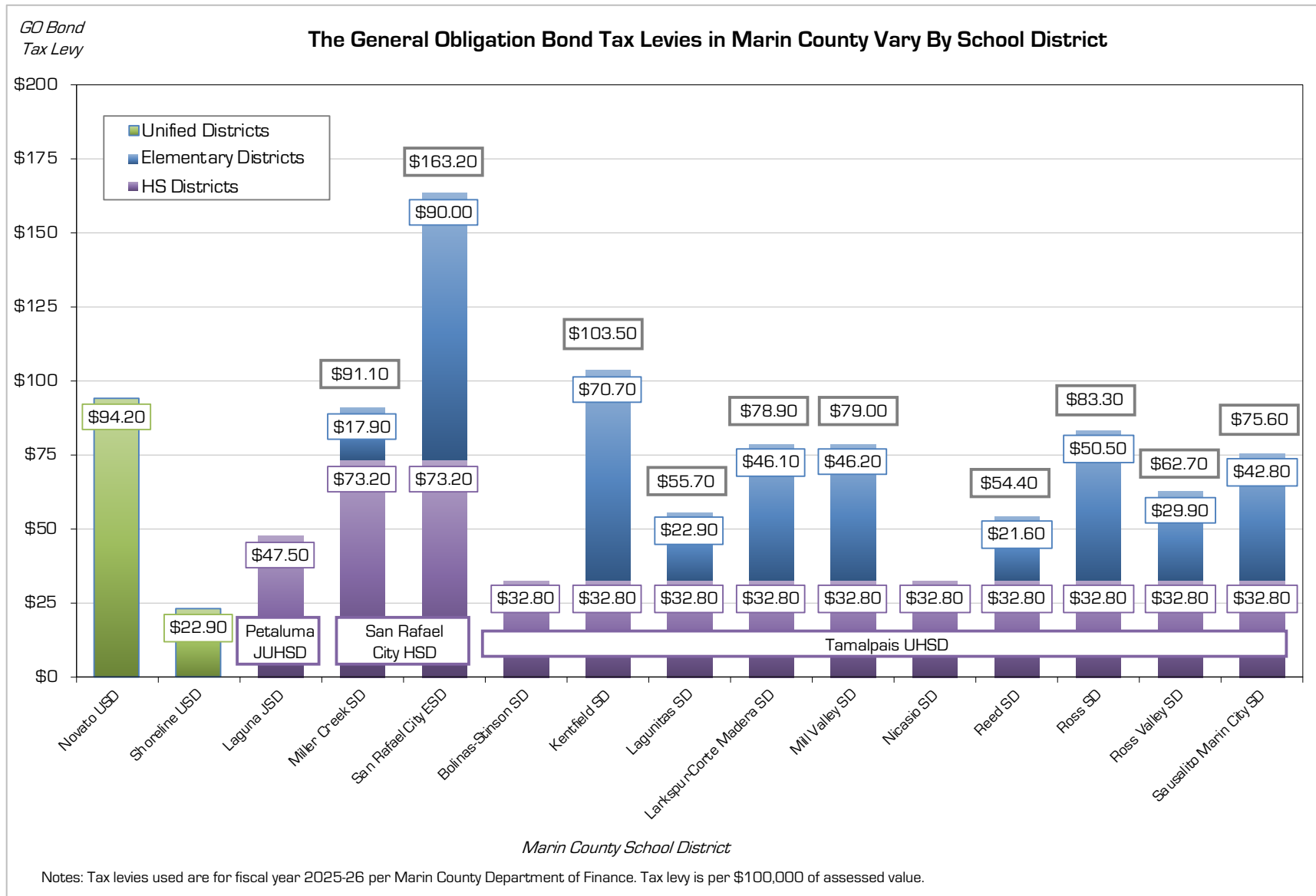
	<u><i>District</i></u>	<u><i>Election Date</i></u>	<u><i>Bond Amount</i></u>	<u><i>Type</i></u>	<u><i>Approval</i></u>	<u><i>Result</i></u>
1	Bolinas-Stinson Union SD	November 2014	\$9,000,000	55%	50%	Fail
2	Miller Creek SD	November 2014	\$30,000,000	55%	75%	Pass
3	Kentfield SD	November 2014	\$30,000,000	55%	71%	Pass
4	Kentfield SD	November 2024	\$48,000,000	55%	60%	Pass
5	Larkspur-Corte Madera SD	November 2011	\$26,000,000	55%	71%	Pass
6	Larkspur-Corte Madera SD	June 2014	\$19,000,000	55%	70%	Pass
7	Mill Valley SD	June 2022	\$194,000,000	55%	68%	Pass
8	Novato USD	November 2016	\$222,000,000	55%	58%	Pass
9	Ross Valley SD	November 2010	\$41,000,000	55%	71%	Pass
10	San Rafael City ESD	November 2015	\$108,225,000	55%	67%	Pass
11	San Rafael City ESD	June 2022	\$152,000,000	55%	67%	Pass
12	San Rafael City HSD	November 2015	\$160,500,000	55%	68%	Pass
13	San Rafael City HSD	June 2022	\$216,000,000	55%	68%	Pass
14	Sausalito Marin City SD	November 2020	\$41,600,000	55%	74%	Pass
15	Shoreline USD	November 2018	\$19,500,000	55%	70%	Pass
16	Tamalpais Union HSD	March 2024	\$517,000,000	55%	54%	Fail
17	Tamalpais Union HSD	November 2024	\$289,000,000	55%	66%	Pass
Marin County Median:			\$48,000,000		68%	Pass: 88%

Very few failed elections and even those that fell short received at least 50% voter approval

55% voter approval GO bond elections can only occur during the Statewide / regularly scheduled elections

Note: source data for 2010 to 2024 election data per review of School Services of California and CaliforniaCityFinance election results for K-12 bond measures during primary and general elections. School Services of California publishes data from election day results; final voter approval results reviewed on County of Marin Elections Department.

Marin County GO Bond Tax Levy Comparison



“Strict Accountability . . .

- ◆ *in Local School Construction Bonds Act of 2000”*
- ◆ Applies only to 55% voter approval bond measures
- ◆ Five methods of accountability
 - ▶ Citizens’ Oversight Committee
 - ▶ Performance Auditing
 - ▶ Financial Auditing
 - ▶ Court Restraint and Prevention of Any Expenditure of Funds
 - ▶ Law Enforcement Pursuit in the Event of Allegation or Misuse of Bond Funds



Risk Management: What Could Go Wrong?

- ◆ Bonds cannot be issued in the full amount 
- ◆ Bonds cannot be issued in time to fund the projects 
- ◆ Tax levies are too high 
- ◆ We'll share with you the Top 3 mistakes we see
 - ▶ Given their frequency, many vendors are not doing a *good* job.
 - ▶ Therefore, we recommend asking questions!

Application of Lessons Learned

◆ We hope this information is valuable:

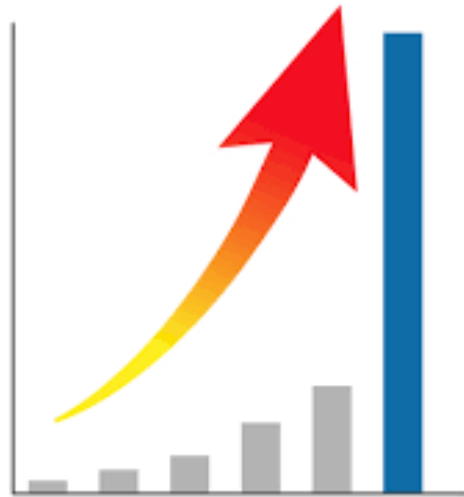
- ▶ If you have a bond measure on the ballot this November
- ▶ If you have an old bond measure where bonds are still being issued over time or refinancing may be possible
- ▶ If you are thinking about a potential bond measure at some point in the future



#1 Mistake



- ◆ Property assessed value is assumed to grow faster than reasonably supported by historical data



Background: GO Bond Tax Rates

- ◆ Bond tax rate $\approx$ debt service $\div$ District's assessed value
- ◆ Each property in the District pays its pro rata share, based on its individual assessed value (not market value)

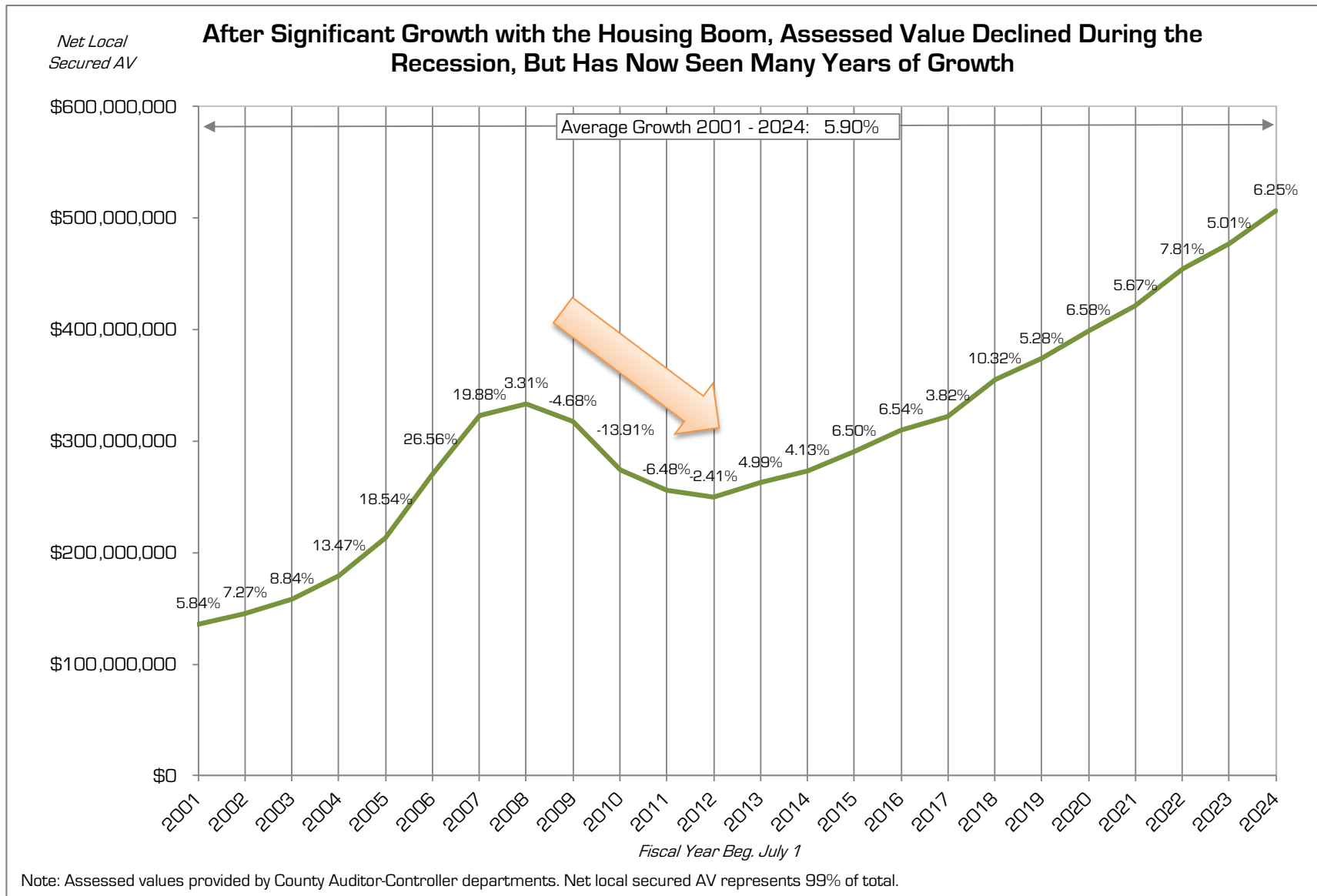


Case Study #1: Introduction

- ◆ November 2002 election
- ◆ Successfully approved by 62% of voters
- ◆ Authorized \$10.5 of bonds for school facilities

“To improve the quality of education, modernize classrooms, make health and safety improvements, upgrade electrical systems to improve student access to modern technology, construct and expand student support facilities, upgrade plumbing, heating, ventilation, and air conditioning, construct classrooms, and qualify the District for \$1,000,000 in State-matching funds, shall the [REDACTED] School District issue \$10,500,000 in bonds, within maximum legal interest rates, requiring a citizens’ oversight committee and annual financial audits?”

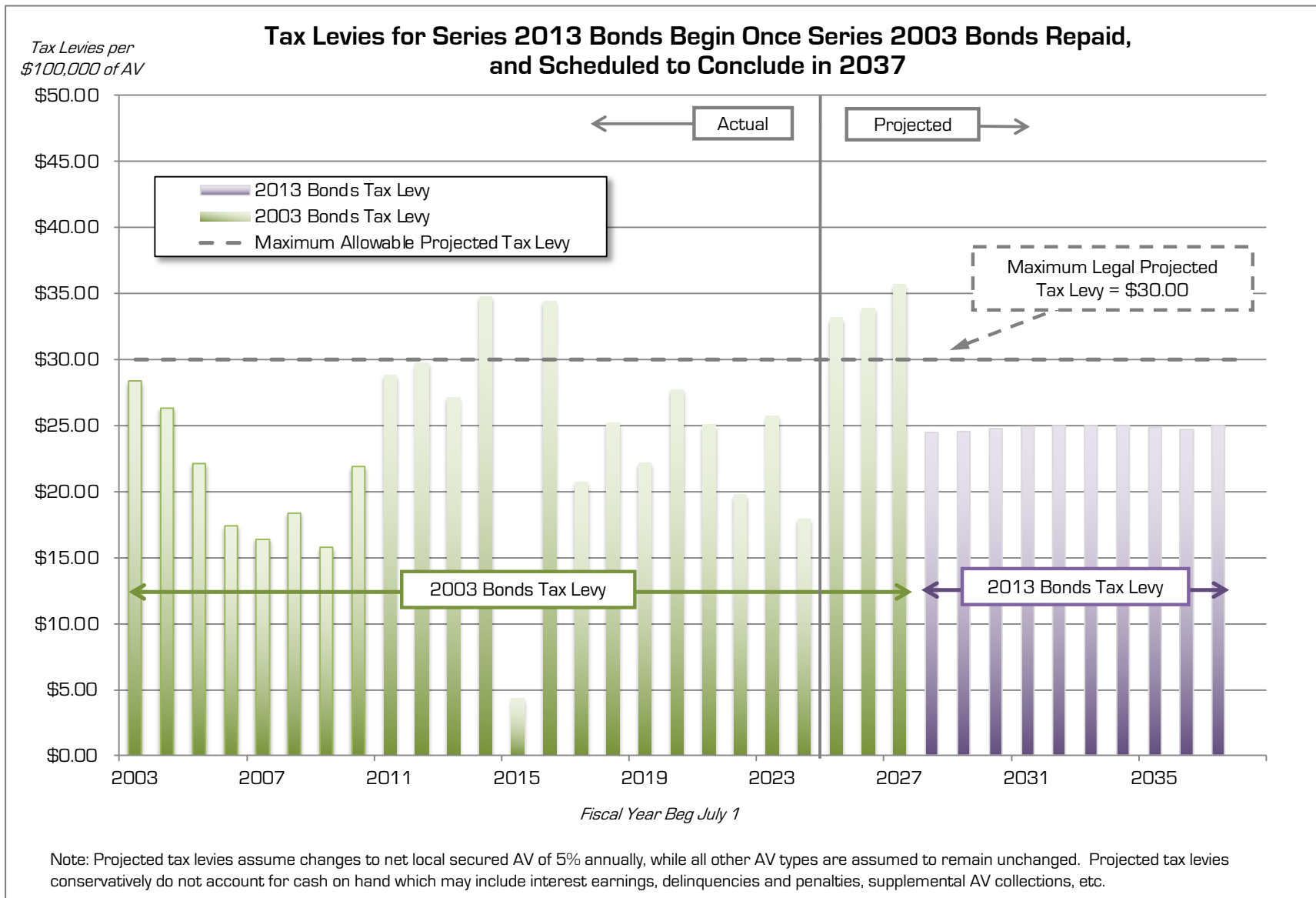
Case Study #1: Property Assessed Value Growth



Case Study #1: Current Status

- ◆ \$1.2 million issued in 2003
- ◆ \$600,000 issued in 2013
- ◆ In total, \$1.8 million issued to date (17% of bonds authorized)
- ◆ 23 years later, 83% of the bond measure remains unissued
- ◆ Likely 12 more years before remainder can be issued
- ◆ In total, estimated 35 years (or more) just to complete the issuance of the bonds

Case Study #1: Property Tax Levies



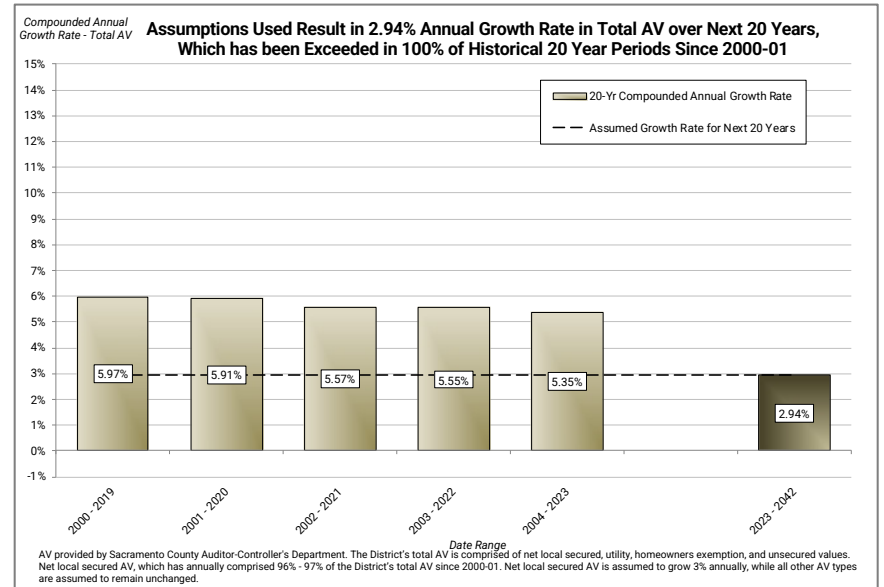
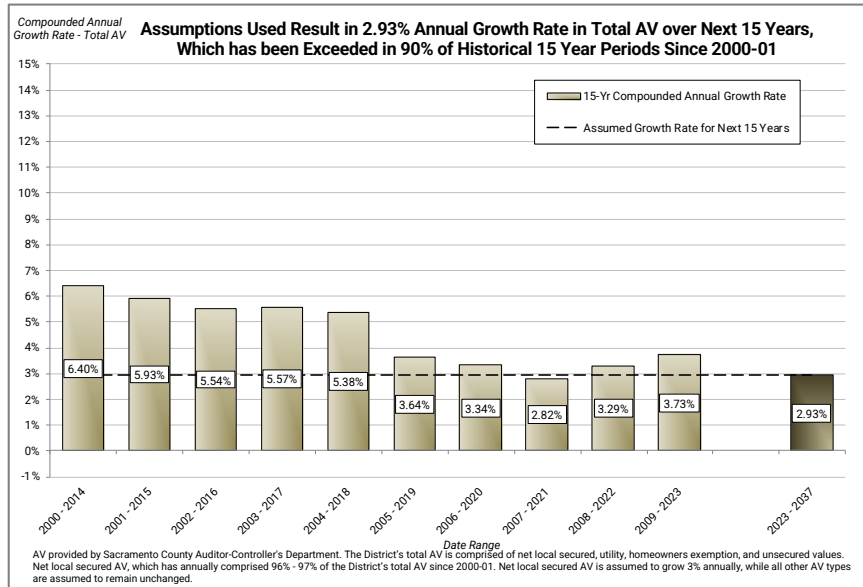
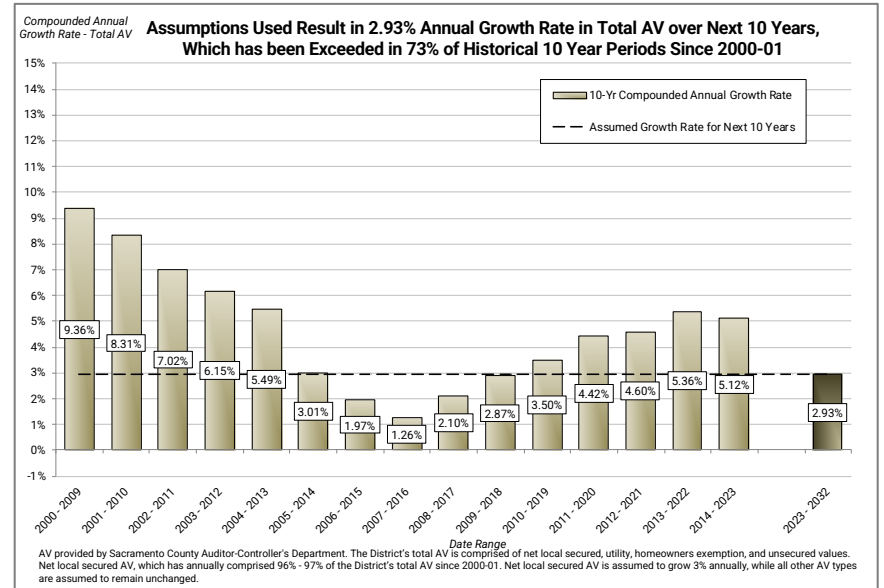
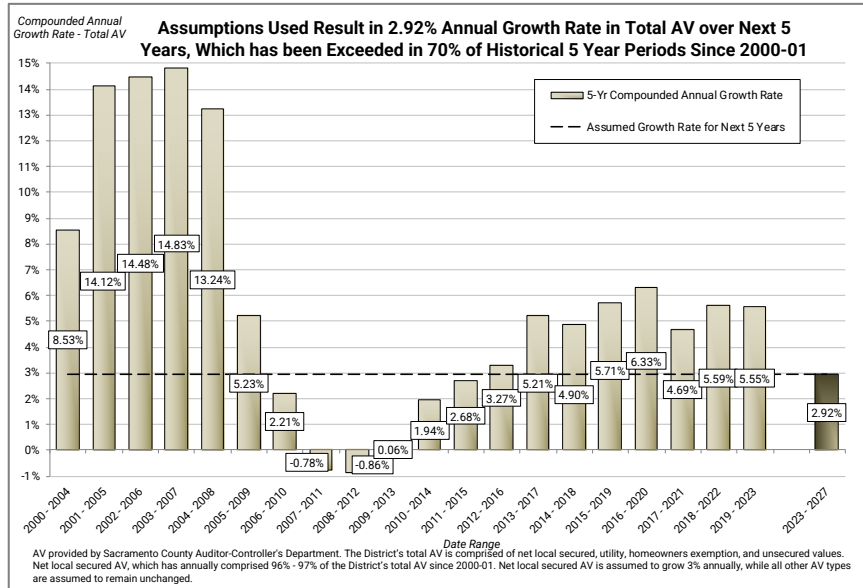
Case Study #1: Conclusion

- ◆ Annual growth assumption for the 2003 bonds: 8%
 - ▶ Actual annual growth to date: 5.9%

- ◆ Risk: many assumptions have “recency bias”
 - ▶ Favors the most recent data heaviest
 - ▶ Occurs in averages that look back over time
 - Prior 5 years, prior 10 years, etc.

- ◆ Solution for risk management:
 - ▶ Review rolling time periods to test how the assumption held up against history over multiple timespans with different beginning and ending points

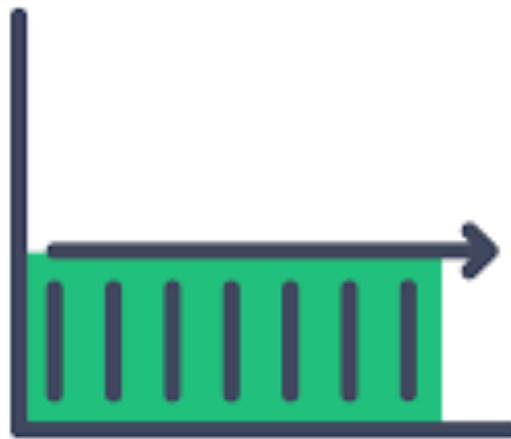
Case Study #1: Sample Solution



#2 Mistake



- ◆ Interest rates are assumed to stay the same (or a minimal increase unsubstantiated by historical data)

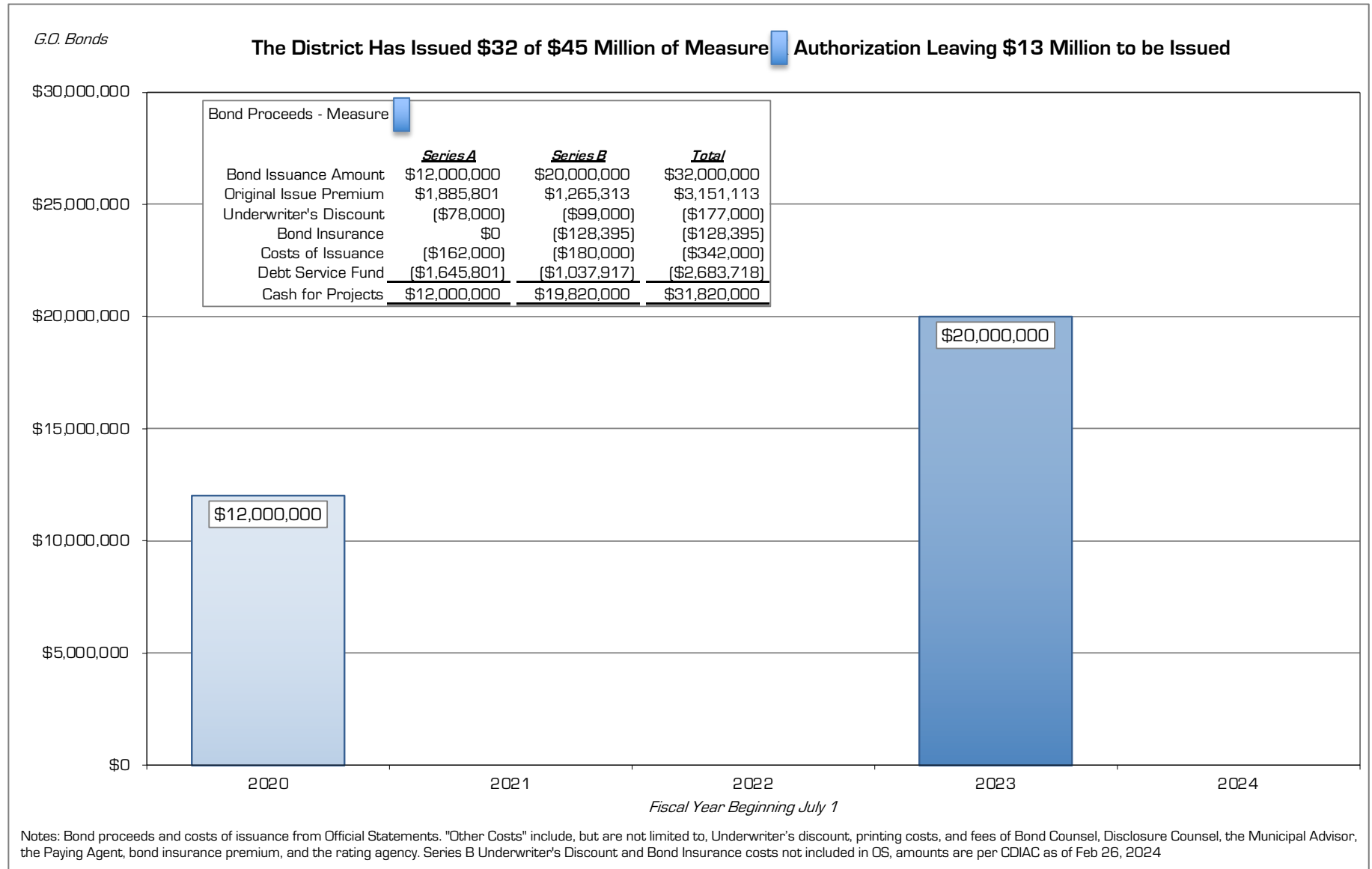


Case Study #2: Introduction

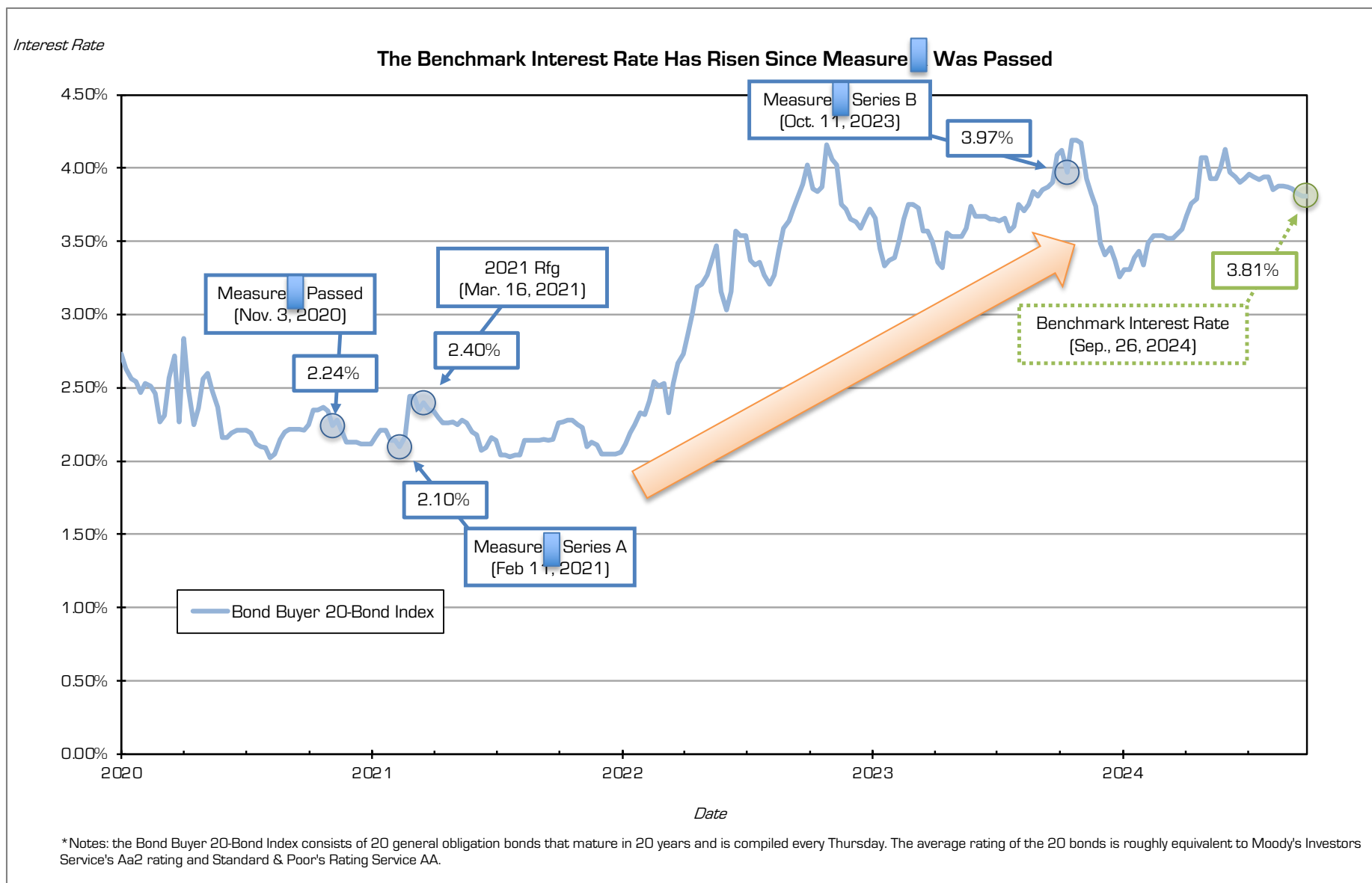
- ◆ November 2020 election
- ◆ Successfully approved by 61% of voters
- ◆ Authorized \$45 of bonds for school facilities

“To improve the quality of local schools; modernize and renovate classrooms, restrooms and facilities; upgrade outdated electrical, plumbing, and sewer systems; and make health, safety and security improvements; shall [REDACTED] School District’s measure be adopted authorizing \$45,000,000 of bonds at legal interest rates, generating on average \$2,336,000 annually while bonds are outstanding with levies of approximately 2.7 cents per \$100 assessed value, annual audits, no money for salaries, citizen oversight, and no money taken by the State?”

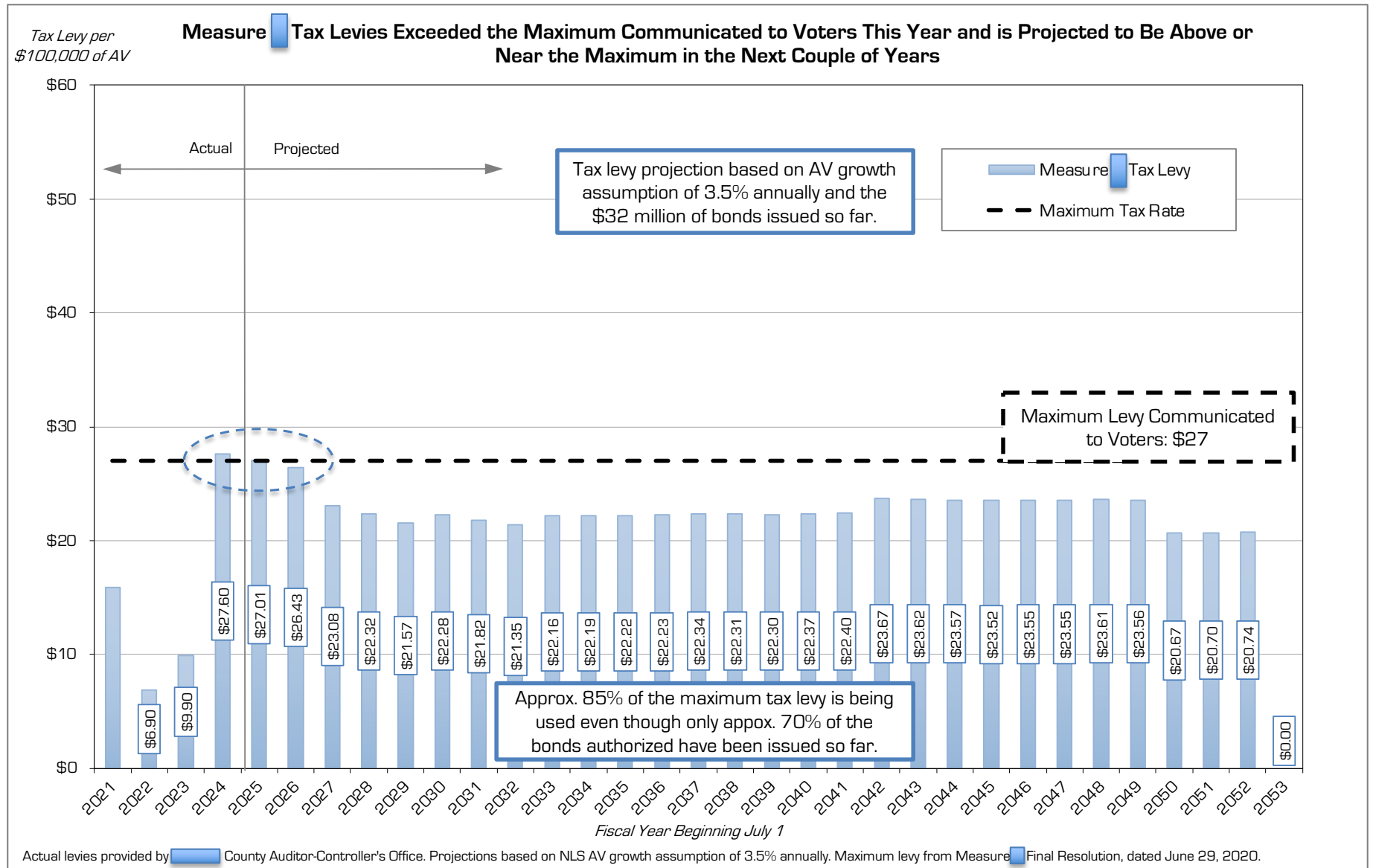
Case Study #2: Activity to Date



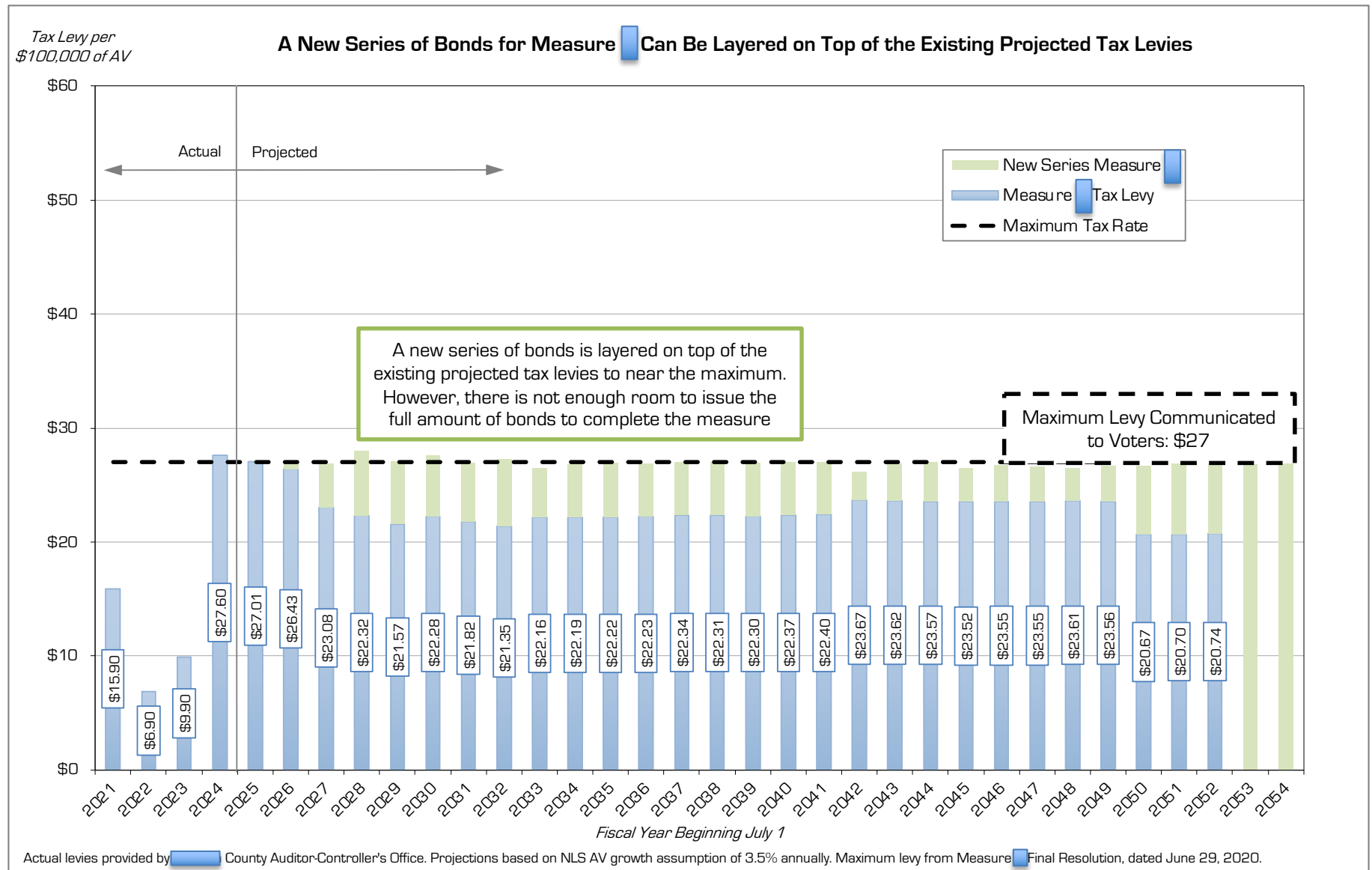
Case Study #2: Interest Rate Volatility



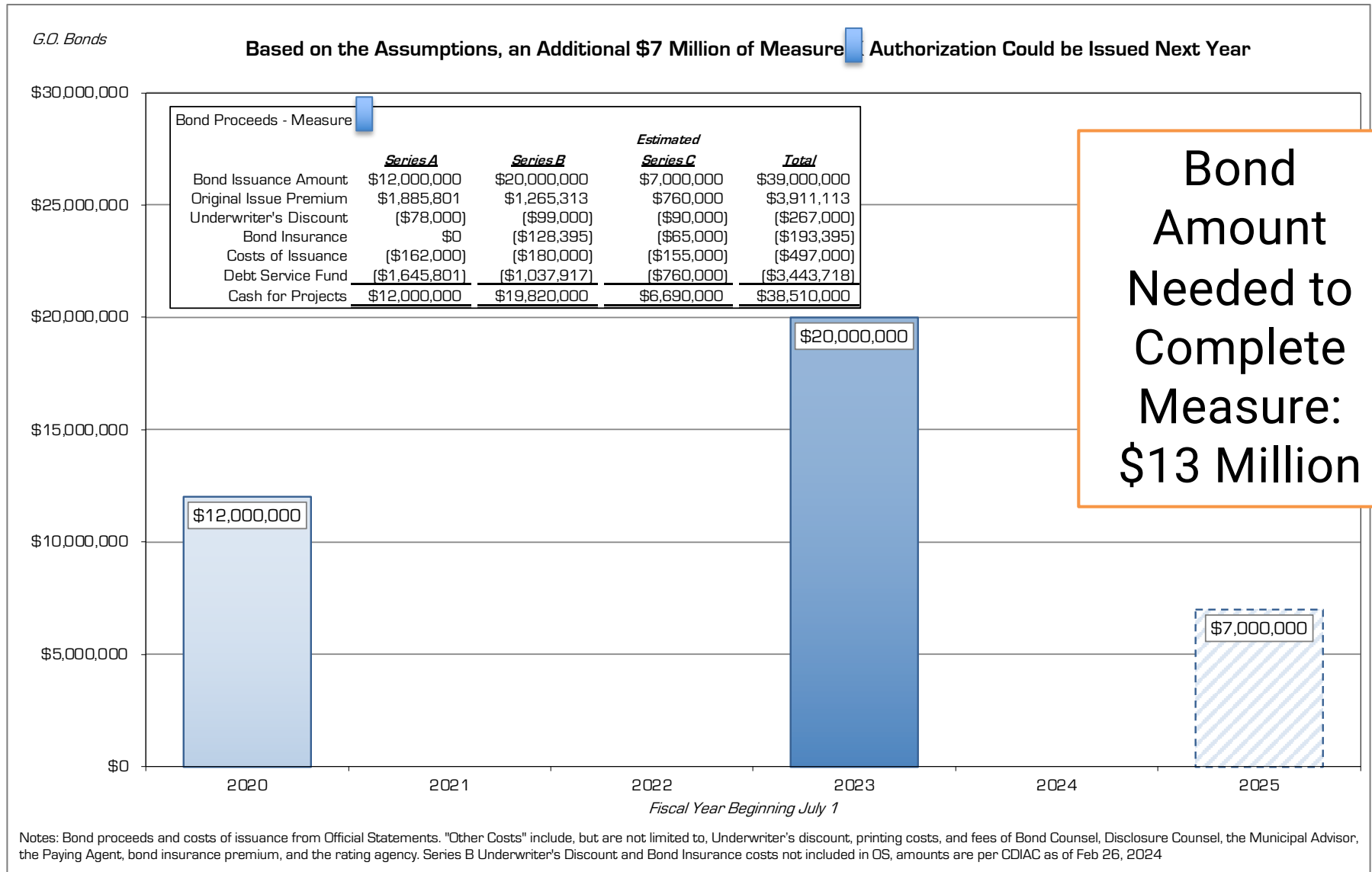
Case Study #2: Property Tax Levies



Case Study #2: Available Room for Tax Levies



Case Study #2: Estimated Bond Amount



Case Study #2: Conclusion

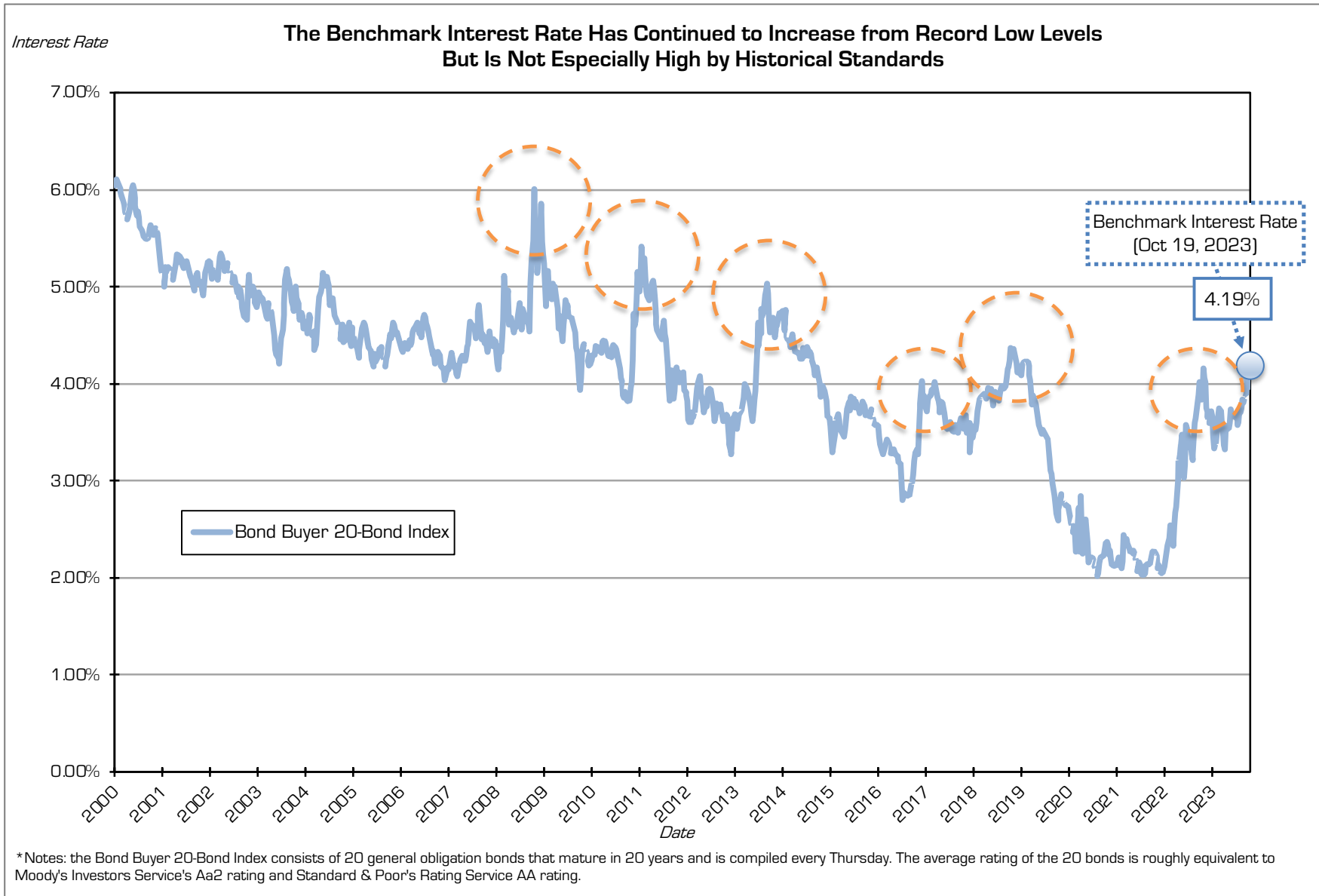
◆ Risk:

- ▶ Plan for no volatility (assume current interest rates)
- ▶ Plan for minimal volatility with no basis in historical data and also, no relationship to the timing of when bonds are planned to be issued (+0.25% for all series of bonds)

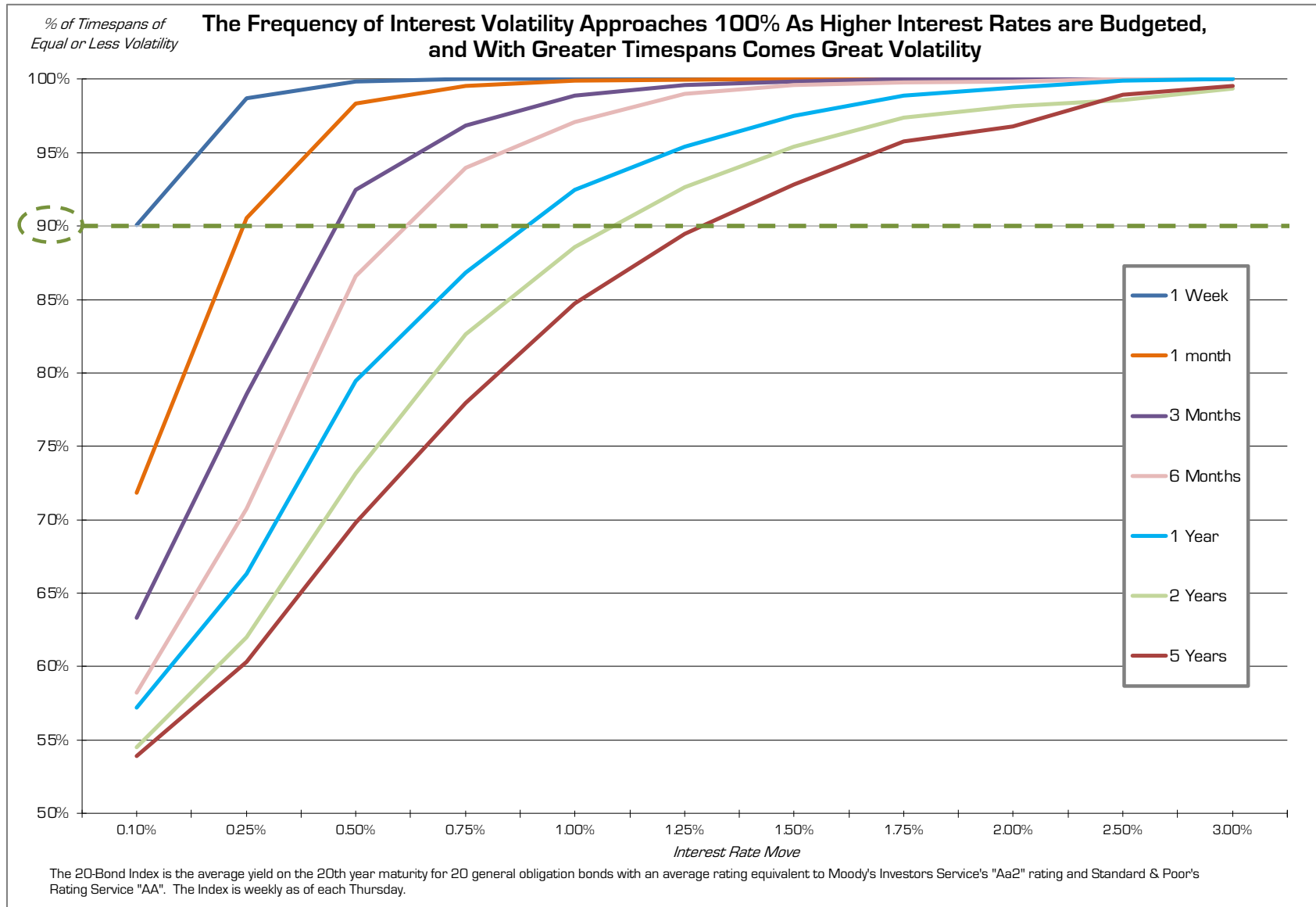
◆ Risk management:

- ▶ Review interest rate volatility and budget for volatility based on planned timing of the bonds
- ▶ Greater distances in time from today create more risk that the future will look different from today
 - Require greater budget adjustments

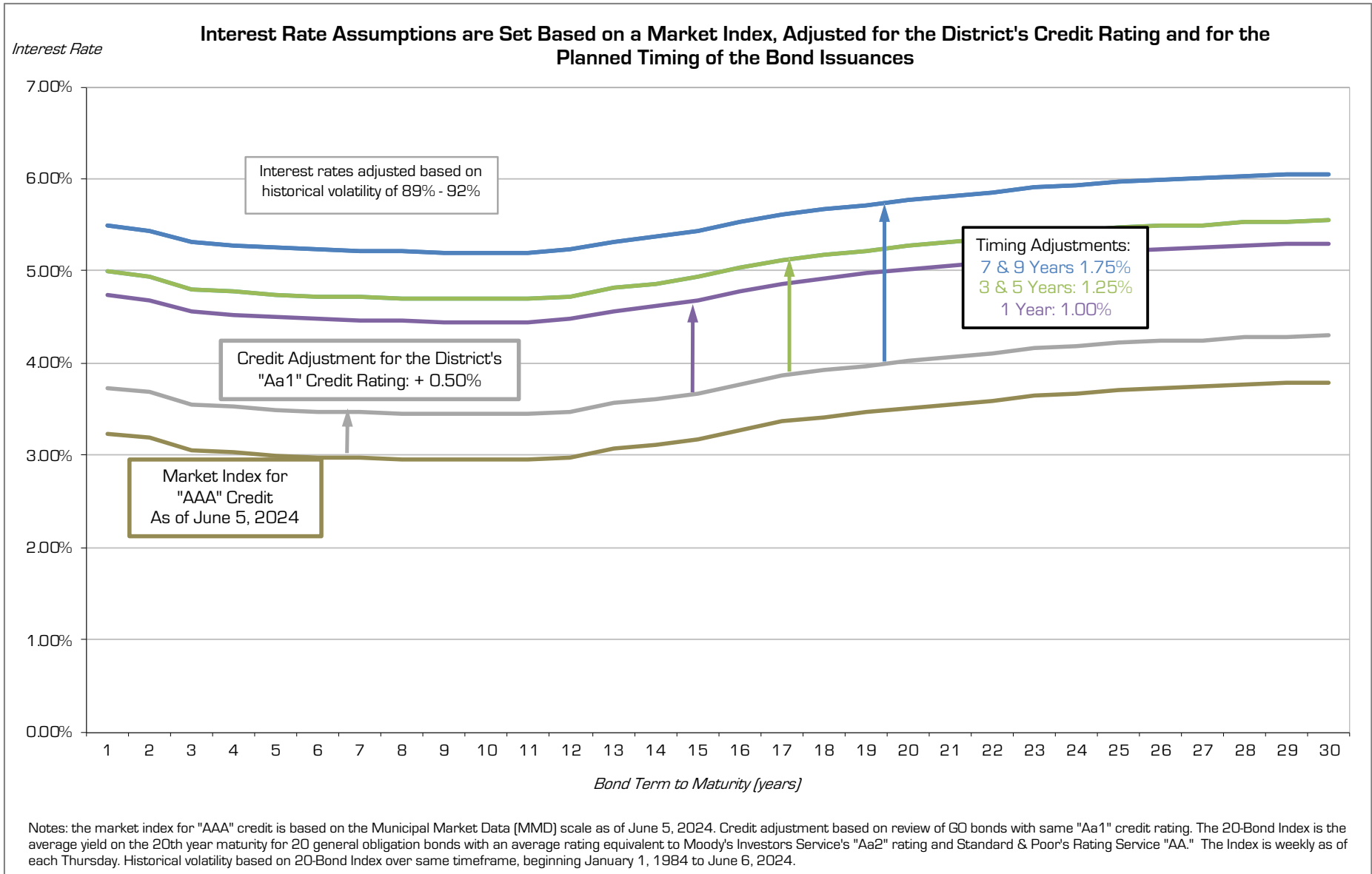
Interest Rate Volatility Occurs Over Time



Interest Rate Volatility Can Be Measured



Case Study #2: Sample Solution



#3 Mistake



- ◆ Not incorporating the County's tax collection for its reserve fund



Background: Reserve Methods



California
LEGISLATIVE INFORMATION

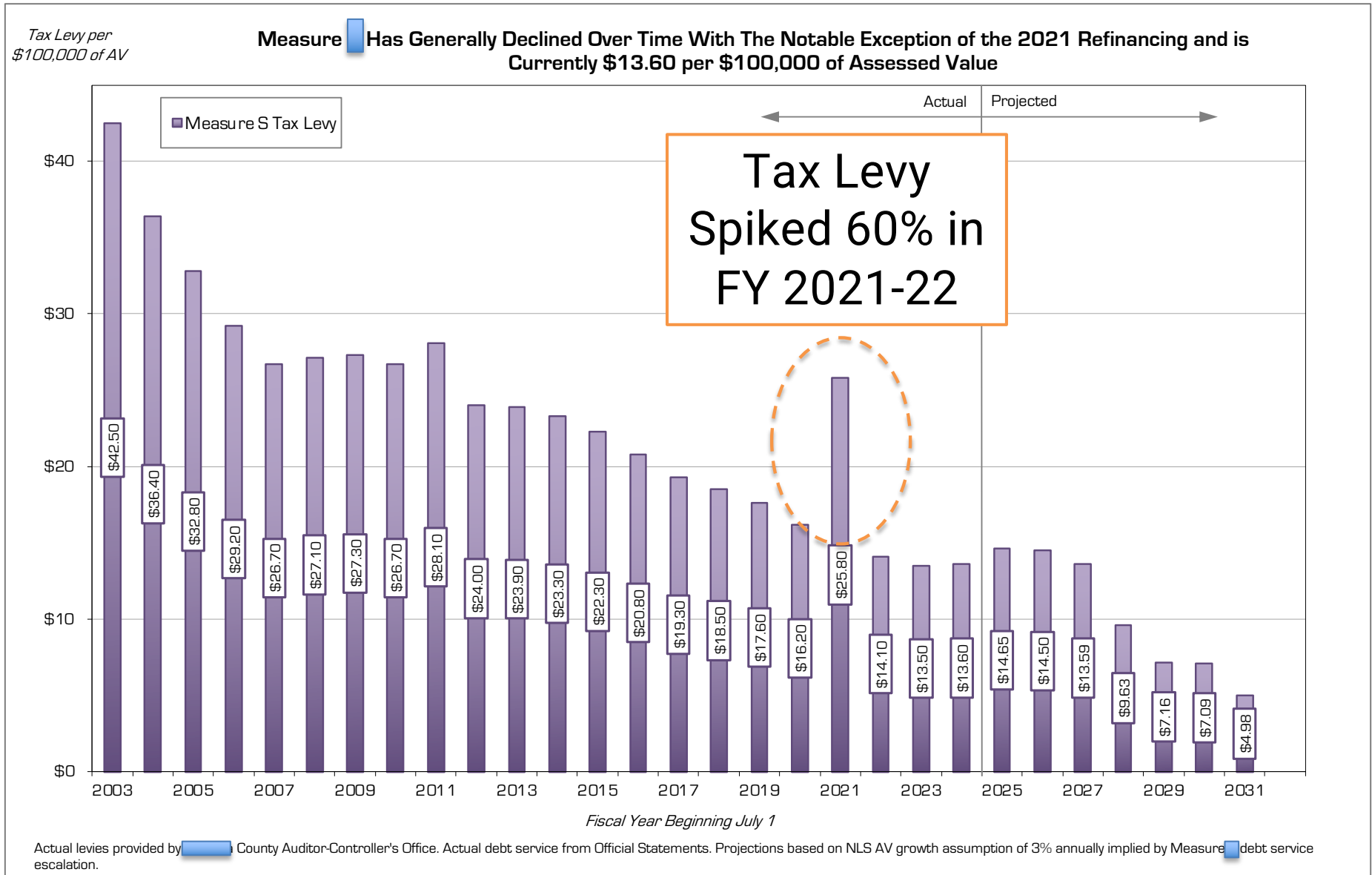
15250. The board of supervisors of the county, the superintendent of schools of which has jurisdiction over any district, shall annually at the time of making the levy of taxes for county purposes, levy a tax for that year upon the property in the district for the interest and redemption of all outstanding bonds of the district. The tax shall not be less than sufficient to pay the interest on the bonds as it becomes due and to provide a sinking fund for the payment of the principal on or before maturity and **may include an allowance for an annual reserve**, established for the purpose of avoiding fluctuating tax levies. The tax shall be sufficient to provide funds for the payment of the interest on the bonds as it becomes due and also any part of the principal and interest that is to become due before the proceeds of a tax levied at the time for making the next general tax levy may be made available for the payment of the principal and interest.

(Repealed and added by Stats. 1996, Ch. 277, Sec. 2. Effective January 1, 1997. Operative January 1, 1998.)

Case Study #3: Introduction

- ◆ November 1997 election
- ◆ Successfully approved by 72% of voters
- ◆ Authorized \$15 million of bonds for school facilities
- ◆ Bonds issued in 1998 through 2002 (completed in 5 years)
- ◆ In 2021 a new financial advisor promoted a refinancing (for taxpayer savings)

Case Study #3: Property Tax Levies

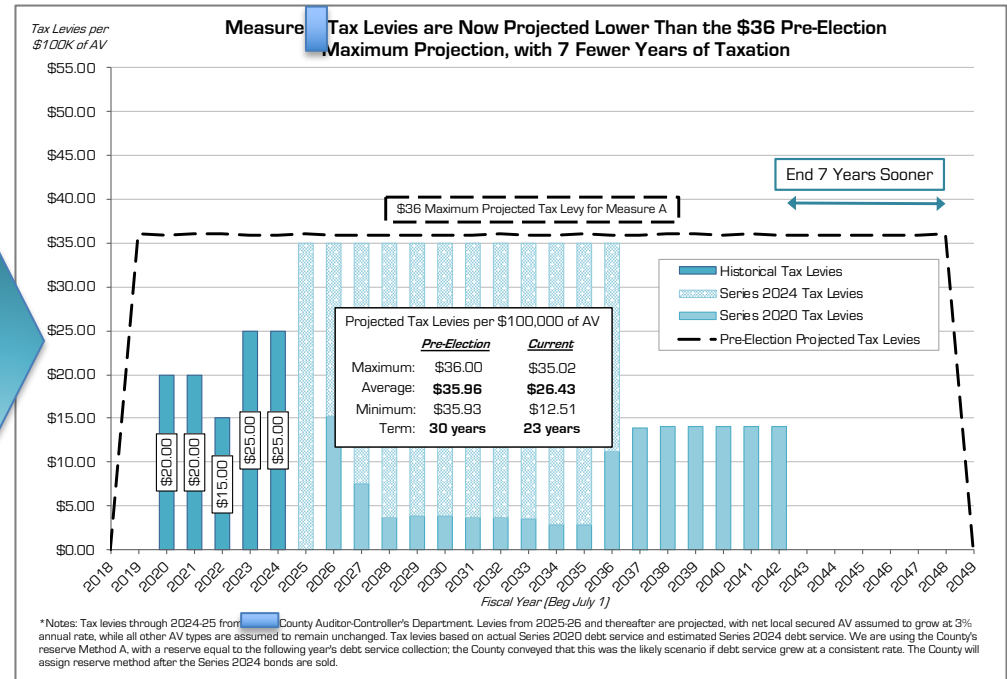
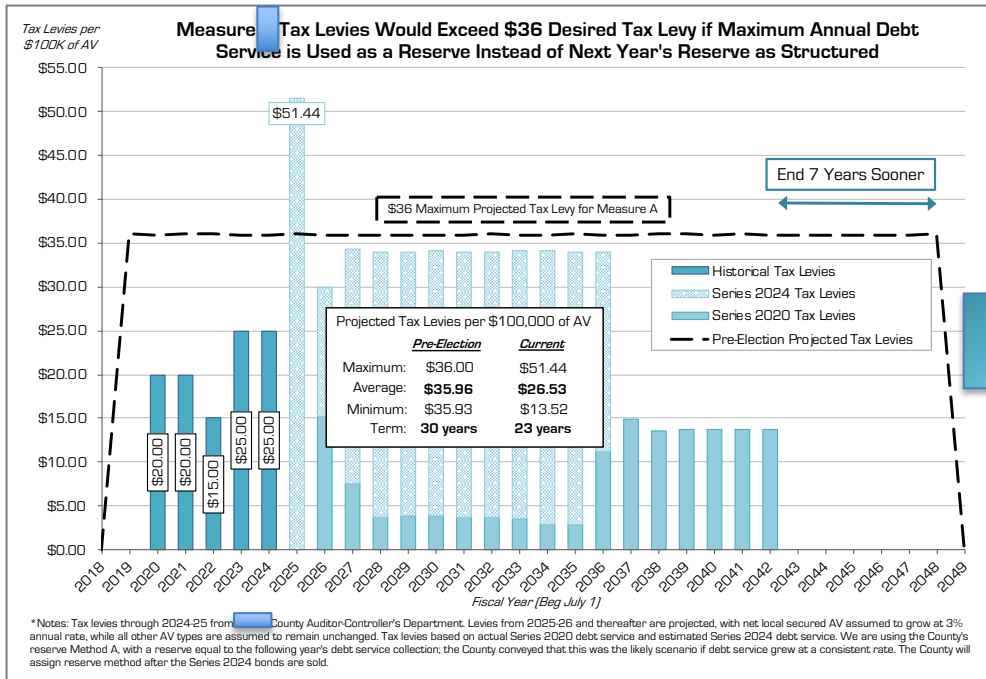


Reserve Methods Can Vary

- ◆ There are 58 counties in California
- ◆ We have data on 36 (62%) of them
- ◆ Risk: the 36 counties use 14 different reserve methods
 - ▶ The county's method may involve a multiple-choice selection in which the county has discretion over the selection
- ◆ The most common method is used by 23 (64%) of the 36
 - ▶ Marin County uses the most common method
- ◆ Risk management: confirm the Marin County method for reserve collection has been incorporated into the plan



Case Study #3: Sample Solution



Agenda

- ✓ Framework for Property Taxes in California
- ✓ Parcel Tax Measures
- ✓ Bond Measures

◆ Conclusion



No. 1 Risk Management Question



Resources

◆ Waiting to help you:



MARIN COUNTY
OFFICE OF EDUCATION
Supporting Learning for ALL Students

- ## ◆ Topics include:
- Fiscal reviews
 - Debt reviews
 - Taxes
 - Elections
 - And more...



Thank You, Any Questions?

