

County of Santa Clara

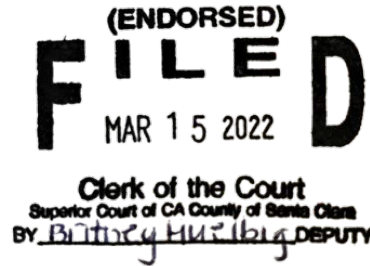
Office of the Clerk of the Board of Supervisors
County Government Center, East Wing
70 West Hedding Street
San Jose, California 95110-1770
(408) 299-5001



Tiffany Lennear
Clerk of the Board

March 10, 2022

The Honorable Theodore C. Zayner
Presiding Judge
Santa Clara County Superior Court
191 North First Street
San Jose, CA 95113



RE: Responses to Civil Grand Jury Final Reports - Property Tax Bills: More Than Meets the Eye, Measure A Earns An A: Good Management and Oversight Supports Progress, and Technology Services and Solutions: Have Lessons Been Learned?

Dear Judge Zayner:

At the March 8, 2022 meeting of the County of Santa Clara Board of Supervisors (Item Nos. 47, 48, and 49), the Board adopted the responses from Administration to the Final Civil Grand Jury Reports entitled, Property Tax Bills: More Than Meets the Eye, Measure A Earns An A: Good Management and Oversight Supports Progress, and Technology Services and Solutions: Have Lessons Been Learned?

As directed by the Board of Supervisors and on behalf of the Board President, our office is forwarding to you the enclosed copy of the responses to the Final Grand Jury Reports. The responses constitute the responses of the Board of Supervisors, consistent with provisions of California Penal Section 933(c).

If there are any questions concerning this issue, please contact our office at (408) 299-5001 or by email at boardoperations@cob.sccgov.org.

Sincerely,

Tina Purpura
Deputy Clerk, Board of Supervisors
County of Santa Clara

Enclosures

County of Santa Clara



Finance Agency

County Government Center
70 West Hedding Street, East Wing 2nd floor
San Jose, California 95110-1705
(408) 299-5206 FAX 287-7629

Date: February 8, 2022
TO: Miguel Marquez, Chief Operating Officer
FROM: Margaret Olaiya, Director, Finance Agency
RE: Response to Santa Clara County Civil Grand Jury Report

**County of Santa Clara, Finance Agency’s Response to Civil Grand Jury Report:
*Property Tax Bills: More Than Meets the Eye, December 16, 2021***

The Finance Agency departments (Department of Tax & Collections (DTAC), Controller-Treasurer Department, and County Clerk-Recorder) and the Assessor’s Office (collectively referred to hereafter as the Agency) oversee property tax administration for the County of Santa Clara (County). The responses below have been prepared by the Agency to address the findings and recommendations from the Civil Grand Jury Report: Property Tax Bills: More than Meets the Eye. The recommendations from the Civil Grand Jury report have been submitted to the Tax Collection and Apportionment System (TCAS) Steering Committee for review and assignment into the project workplan for tax year FY 2022-2023. This will align them with other projects to be completed or deployed for the new tax year. These recommended actions will be implemented using a phased approach to match the timelines for the delivery of the various bills and collection of taxes starting with the Unsecured Property Tax bills that will be mailed out in July 2022. The final phase is tentatively scheduled for December 2023 and will incorporate the Escape, Supplemental Property Tax and Redemption Bills.

Please find below the County’s responses to the findings and recommendations.

FINDING 1

At the start of the investigation, the Annual Property Tax Bill and Supplemental Property Tax Bill did not show the computed amounts of the tax bonds and levies and did not show the value for the “ASSESSED VALUE TAXES” and “TOTAL LAND & IMPROVEMENT TAXES” in the ‘DETAIL OF TAXES’ SECTION. A taxpayer wanting to verify these calculations was faced with a lack of transparency. During the investigation, DTAC followed through on the commitment to provide this information on secured property tax bills. The Civil Grand Jury commends the County for addressing this issue.

Response: *The County agrees with this finding.*

No recommendation.

Board of Supervisors: Mike Wasserman, Cindy Chavez, Otto Lee, Susan Ellenberg, S. Joseph Simitian
County Executive: Jeffrey V. Smith

Adopted: 03/08/2022

FINDING 2

In the “DETAIL OF TAXES” section of the Annual Property Tax Bill and the Supplemental Property Tax Bill, line items ending in “S” show a tax rate for a group of bonds, not individual bond tax rates. This places the burden on taxpayers and the public to determine the individual bond rates, and it lacks transparency regarding how taxes are calculated and represented on the tax bill.

Response: *The County agrees with this finding.*

RECOMMENDATION 2

DTAC should provide the taxpayer with a solution that explains the expanded detail of taxes calculated for each item in a group of bonds, which should include the assessed property value, tax rate, and computed amount. This should be implemented by June 30, 2022.

Currently, taxpayers are already able to view and print details of their bills online at the DTAC website by clicking the link, as shown in the image below. Taxpayers can also request a hard copy of the bill detail be mailed to them.

Tax Rate Area: 017-076 [Where do my tax dollars go?](#)

Annual Tax Bill [Envelope Tracking](#) [View Bill Detail](#) [View Bill](#)

Installment	APN Number	Suffix	Tax Year	Tax Amount	Additional Charges	Amount Paid To Date	Balance Due	Pay By Date	Status	Last Payment Date	Payment Amount	or Pay In Full
1		00	2021/2022	\$4,991.60	\$0.00	\$4,991.60	\$0.00	12/10/2021	PAID	10/01/2021		

Beginning this tax year FY 2022-2023, the County will modify all relevant tax bills to include a message informing the taxpayer how the bill detail can be accessed online or obtained in hard copy upon request. The Detail of Taxes section will include language stating: “Taxpayers can request a copy of the full details of each bond on their bill by calling (408) 808-7900 or visiting our website to view or print a copy at <https://payments.sccgov.org/propertytax>.” Please see a mockup image below.

DETAIL OF TAXES			
TAXING AGENCY	VALUE	RATES (%)	AMOUNT
LAND, IMPROVEMENTS, PERSONAL PROPERTY			
1% MAXIMUM LEVY	818,077	1.000000	8,180.77
CO BOND 2008 HOSP FAC	818,077	0.006100	49.90
CO RETIREMENT LEVY	818,077	0.038800	317.41
CO. HOUSING BOND 2016	818,077	0.012660	103.56
COMM COLLEGE BONDS	818,077	0.033100	270.77
EL CAMINO HOSPITAL 2003	818,077	0.010000	81.80
ELEM OR UNIF SCH BONDS	818,077	0.032500	265.85
HIGH SCHOOL BONDS	818,077	0.041600	340.30
MID PENINSULA OPEN SPACE 2014	818,077	0.001500	12.27
TOTAL ASSESSED VALUE TAXES		1.176260	9,622.63
LAND AND IMPROVEMENTS			
SCVWD-STATE WATER PROJ	818,077	0.005100	41.72
TOTAL LAND & IMPROVEMENT TAXES		0.005100	41.72
Rounding adjustment of -0.01 made to create two equal installments			-0.01
		TAXES DUE	\$9,664.34

Note: Tax amounts less than 0.01 are truncated per CA R&T code 2152

Taxpayers can request a copy of the full details of each bond on their bill by calling (408) 808-7900 or visiting our website to view or print a copy at <https://payments.sccgov.org/propertytax>

This action will also align the Agency with the Board of Supervisors' policies on environmental responsibility and cost-savings. The County provides taxpayers with online services and payment options in an effort to reduce the County's carbon footprint. With the ability to send additional pages of bill details via email the County is not only reducing the cost of providing these services but also helping to save the planet. The Agency estimates that the additional costs associated with sending supplemental pages with the tax bills would be more than \$700,000 annually due to increased costs of paper, printing, mailing and postage (see Appendix A). Annually, the County receives fewer than 1,000 requests from the public for hard copy tax details to be mailed. Given this lack of demand and the high associated costs, it is difficult to justify changing over 600,000 tax bill mailings.

FINDING 3

The WhereDoTaxesGo.org website does not provide details of calculated values so that the taxpayer can understand the dollar amounts that correspond to percentages in the One-percent Tax Distribution Table or the Debt Levy Rate Table.

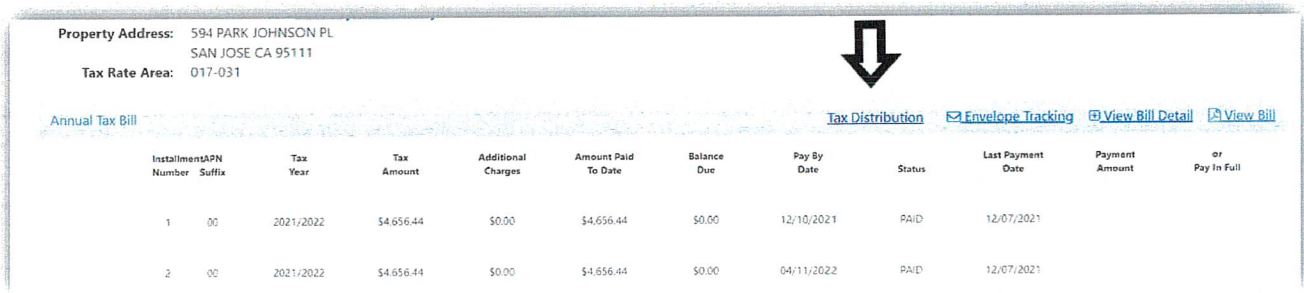
Response: *The County agrees with this finding. The redesign of the application is discussed below.*

RECOMMENDATION 3

DTAC should include on their Tax Distribution website the ability to show the secured property's net assessed dollar value and the calculated dollar amount of each tax represented in the One-percent Tax Distribution Table and Debt Levy Rate Table. This should be implemented by June 30, 2022.

The initial purpose of the County's Tax Distribution website, WhereMyTaxesGo, was to display the 1% distribution and bond rates for each tax rate area (TRA)¹, not to display the 1% maximum tax distribution of individual property tax bills. This presentation format is very similar to other Bay Area Controller-Treasurer websites (see Appendix B). While the WhereMyTaxesGo application does include a function to look up a TRA based on a property ID (APN), none of the individual tax distribution data by property is currently housed in its database, that information resides in the property tax system instead. Some systemic changes would be required but this information could be made available on the payment portal where other bill information, such as charges and bill details, a PDF copy of the tax bill, and payment tracking is currently accessible.

The Agency will add a new link to each displayed bill in the payment portal that can access a popup window with the tax distribution details, as shown in the image below.



The popup window would then display the 1% percent distribution details and corresponding dollar amounts, as displayed below:

¹ Tax rate area is a map of the contiguous area that defines a unique set of taxing jurisdictions.

1% Tax Distribution Table	Tax Rate	Tax Charge
Bay Area Air Quality Management District	0.20%	21.05
Central Fire Protection Zone No. 1	16.23%	1,708.11
County School Service	3.26%	343.10
East Side Union High	14.47%	1,522.88
ERAF	12.31%	1,295.56
Franklin McKinley Elementary	26.83%	2,823.70
Guadalupe Coyote Resource Conservation District	0.04%	4.21
San Jose-Evergreen Community College	6.94%	730.39
Santa Clara County	14.98%	1,576.56
Santa Clara County Importation Water-Misc District	0.52%	54.73
Santa Clara County Library	2.74%	288.37
Santa Clara Valley Water District	0.17%	17.89
Santa Clara Valley Water District Central Zone	1.18%	124.19
Santa Clara Valley Water District West Zone 4	0.13%	13.68
Total	100.00%	10,524.42

This addition to the payment portal would make it a convenient one-stop hub for taxpayers looking for information about tax charges and distributions for their bill. This new feature will be implemented for the new tax year FY 2022-2023.

The County will also upgrade the WhereMyTaxesGo application to add a new "Tax Amount Per \$100,000 in Assessed Value" column, as displayed below. This addition would not provide amounts for a specific property but would show how the percentage translates into dollars based on \$100,000 assessed value amounts. These rates are common to any property in a TRA. The upgrade of the WhereMyTaxesGo application will also include a link to the property tax payment portal where taxpayers would be able to find the details of individual tax bills, also shown in the mockup image below.

County of Santa Clara
SCC Tax

Tax Distribution Friday Jan 14, 2022 2:25 PM PST

APN: 49470032
 Property Address: 594 PARK JOHNSON PL SAN JOSE
 Tax Rate Area: 017-031

Tax Distribution of the
 Fiscal Year 2021-2022

This report shows the allocation of property tax in Santa Clara County for your tax rate area.
[Click here to see the exact allocation amount per tax bill](#) [View Tax Distribution Chart](#)

1% Tax Distribution Table

		Per \$100,000 Assessed Valuation 1% Ad Valom Tax= \$1000
Bay Area Air Quality Management District	0.21%	2.10
County School Service	3.41%	34.10
East Side Union High	15.12%	151.20
ERAF	14.23%	142.30
Franklin McKinley Elementary	28.03%	280.30
Guadalupe Coyote Resource Conservation District	0.04%	0.40
San Jose	13.31%	133.10
San Jose-Evergreen Community College	7.25%	72.50
Santa Clara County	15.65%	156.50
Santa Clara County Importation Water-Misc District	0.54%	5.40
Santa Clara Valley Water District	0.18%	1.80
Santa Clara Valley Water District East Zone 1	1.89%	18.90
Santa Clara Valley Water District West Zone 4	0.14%	1.40
		1,000.00

FINDING 4

The Annual Property Tax Bill and the Supplemental Property Tax Bill do not explain that cents are truncated and do not explain the rounding adjustment. Although these practices are consistent with legal requirements imposed by the Revenue and Taxation Code, the current information provided to taxpayers lacks transparency for how tax dollars are being calculated.

Response: *The County agrees with this finding.*

RECOMMENDATION 4

DTAC should provide the taxpayer with an explanation for the truncation and rounding adjustment. This should be implemented in the next annual property tax bill.

The proposed solution is to add two explanatory statements to the Detail of Taxes section of the tax bill, as shown in the mockup image below.

DETAIL OF TAXES			
TAXING AGENCY	VALUE	RATES (%)	AMOUNT
LAND, IMPROVEMENTS, PERSONAL PROPERTY			
1% MAXIMUM LEVY	818,077	1.000000	8,180.77
CO BOND 2008 HOSP FAC	818,077	0.006100	49.90
CO RETIREMENT LEVY	818,077	0.038800	317.41
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TOTAL ASSESSED VALUE TAXES		1.176260	9,622.63
LAND AND IMPROVEMENTS			
SCVWD-STATE WATER PROJ	818,077	0.005100	41.72
TOTAL LAND & IMPROVEMENT TAXES		0.005100	41.72
Rounding adjustment of -0.01 made to create two equal installments			-0.01
		TAXES DUE	\$9,664.34
Note: Tax amounts less than 0.01 are truncated per CA R&T code 2152			
Taxpayers can request a copy of the full details of each bond on their bill by calling (408) 808-7900 or visiting our website to view or print a copy at https://payments.sccgov.org/propertytax			

The rounding adjustment message will only appear for two installment bills where taxes sum to an odd cent and -0.01 will be displayed in the Amount column. This change will be effective for the new tax year FY 2022-2023.

FINDING 5

DTAC collects customer feedback via an online survey available only in English that addresses website interaction but gives little opportunity for customer input regarding other concerns. There is limited effort to gather input from the public about how best to improve the overall taxpayer experience using alternative methods.

Response: *The County partially disagrees with this finding, specifically where it states that the customer has little opportunity to provide input regarding other concerns.*

Prior to the pandemic, the payment portal was the most visited County website. The survey was designed to solicit information from the public on how best to serve their needs when making online payments. The feedback received from the survey has resulted in annual and ongoing improvements to the portal.

RECOMMENDATION 5

The County should create a way to capture concerns from taxpayers in multiple languages, independent of an online communication channel, such as surveys included with the paper property tax bill, focus groups, and advisory boards. This should be implemented by June 30, 2022.

Please see the response to Recommendation 2 above regarding the estimated costs associated with sending additional pages in property tax mailings. As an alternative, the Agency will conduct market research for feasibility and cost implications surrounding the use of a telephone survey, available in multiple languages, for taxpayers to provide feedback. This effort will begin during tax year FY 2023-2024. Furthermore, the online survey will be translated and offered in Spanish, Vietnamese and Chinese and a link for the survey will be provided on the property tax bill. These changes will be effective for tax year FY 2022-2023.

Appendix

Appendix A

USPS Postage Rates and Additional Annual Ongoing Costs

Source: <https://www.USPS.Com>

First-Class Mail			
Retail—Single Piece			
Letters (Stamped)^{1,4}		Large Envelopes (Flats)²	
Weight Not Over (oz.)		Weight Not Over (oz.)	
1	\$0.58	1	\$1.16
2	0.78	2	1.36
3	0.98	3	1.56
3.5	1.18	4	1.76
Letters (Metered)^{1,4}		5	1.96
Weight Not Over (oz.)		6	2.16
1	\$0.53	7	2.36
2	0.73	8	2.56
3	0.93	9	2.76
3.5	1.13	10	2.96
		11	3.16
		12	3.36
		13	3.56

First-Class Mail Postage Rates							
Standard Letter Sizes			Commercial Flats (Large Envelopes) ⁴				
Weight Not Over (oz.)	Postage	Current Postage Costs (x600k bills)	Weight Not Over (oz.)	Mixed ADC	Increased cost per piece	Potential Heavier Bill Postage	Annual cost increase
1	\$0.49	\$291,000.00	1	\$0.89	\$0.41	\$534,600.00	\$243,600.00
2	\$0.49	\$291,000.00	2	1.091	\$0.61	\$654,600.00	\$363,600.00
3	\$0.49	\$291,000.00	3	1.291	\$0.81	\$774,600.00	\$483,600.00
3.5	\$0.49	\$291,000.00					
4	N/A		4	\$1.49	\$1.01	\$894,600.00	\$603,600.00
5	N/A		5	\$1.69	\$1.21	\$1,014,600.00	\$723,600.00
6	N/A		6	\$1.89	\$1.41	\$1,134,600.00	\$843,600.00

Appendix B

Example of 1% Distribution Information Provided by Contra Costa County

Source: <https://www.contracosta.ca.gov/6581/Where-Your-Taxes-Go>

COVID-19 RENT RELIEF
Rent and Utilities Help for Tenants and Landlords
Check eligibility and apply in many languages
Ayuda con la renta o los servicios públicos
Verifique elegibilidad y aplique

CONTRA COSTA
COUNTY, CALIFORNIA

[OUR COUNTY](#)
[DEPARTMENTS & OFFICES](#)
[SERVICES](#)
[DOING BUSINESS](#)

[Supplemental Bills](#)
[Warrants \(Checks\)](#)
[Budget](#)

Special Districts, 20%

Cities, 8%

Schools, 48%

Tax Rate Area Allocations

Enter the Property Address or Tax Rate Area number shown on your property tax bill to see how the basic 1% tax is allocated for fiscal year 2021-22 in your area:

Address:

OR Tax Rate Area #

How does this data relate to the taxes on my tax bill?

Your annual property tax bill lists separately all of the tax rates, including the basic one percent tax and voter approved additional taxes (mostly for school bonds), as well as all of the various special taxes, assessments, fees and charges that apply to your property. All of the taxes listed in separate lines on the bill are distributed directly to the agencies levying the charge, except for the one percent tax, which is shared by many agencies.

The Tax Rate Area Allocation shows how the one percent tax levied in each Tax Rate Area is allocated.

Tax Rate Area 17003
Allocation of Basic 1% Property Tax
Fiscal Year 2021-2022

This report shows the allocation of your basic 1% Property Tax to various taxing agencies in Contra Costa County.

[View as Chart](#)

COUNTY GENERAL	11.63900 %
COUNTY LIBRARY	1.64873 %
C C FLOOD CONTROL	0.19339 %
CO WATER AGENCY	0.03953 %
SAN RAMON VLY FIRE	14.76300 %
CC RES CONSV	0.01790 %
CO CO MOSQUITO ABA	0.17225 %
CENTRAL SANITARY	1.70802 %
EAST BAY MUD	1.64301 %
BART	0.69758 %
BAY AREA AIR MGMNT	0.20340 %
EAST BAY REGNL PK	3.31675 %
CITY OF SAN RAMON	9.59267 %
CO SUPT SCHOOLS	2.04899 %
K-12 SCHOOLS ERAF	11.97590 %
SAN RAMON UNIFIED	33.34842 %
CO CO COMM COLLEGE	5.20825 %
COMM COLLEGE ERAF	1.78321 %
TOTAL	100.00000 %

[Close Window](#)

Tax Rate Area 17003
Allocation of Basic 1% Property Tax
Fiscal Year 2021-2022

This chart shows the allocation of your basic 1% Property Tax to the various taxing agencies in Contra Costa County.

[View as Report](#)

[Close Window](#)

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