



County of Santa Cruz Board of Supervisors

Agenda Item Submittal

From: Parks, Open Spaces, and Cultural Services and the Office of Response, Recovery and Resilience

Subject: Approve in Concept an Ordinance Amending Chapter 4.65.030 of Santa Cruz County Code

Meeting Date: May 6, 2025

Formal Title: Consider approving in concept an “Ordinance Amending Section 4.65.030 Of The Santa Cruz County Code Relating To The Santa Cruz County Safe Drinking Water, Clean Beaches, Wildfire Risk Reduction, And Wildlife Protection Act”, and take related actions

Recommended Actions

1. Approve in concept an “Ordinance Amending Section 4.65.030 Of The Santa Cruz County Code Relating To The Santa Cruz County Safe Drinking Water, Clean Beaches, Wildfire Risk Reduction, And Wildlife Protection Act” related to the collection of the Special Parcel Tax, as set forth in attachment, incorporated herein by reference;
2. Schedule the ordinance for a second reading and final adoption on May 20, 2025; and
3. Direct the Clerk of the Board to publish the Notice of Proposed Ordinance Summary in a newspaper of general circulation, pursuant to Government Code Section 25124.

Executive Summary

The Department of Parks, Open Space and Cultural Services (Parks) and the Office of Response, Recovery and Resilience (OR3) propose amendments to Santa Cruz County Code Chapter 4.65.030 (Santa Cruz County Safe Drinking Water, Clean Beaches, Wildfire Risk Reduction, and Wildlife Protection Act) related to the collection of the Special Parcel Tax to allow the County distribute taxes based upon their calculated share of the property tax roll, consistent with the Teeter Plan.

Discussion

In the November 2024 election, the Santa Cruz County Safe Drinking Water, Clean Beaches, Wildfire Risk Reduction and Wildlife Protection Act, referred to herein as Measure Q, was approved by over 60% of voters, and is now incorporated into the Santa Cruz County Code.

The funding mechanism for this Measure is described in section 4.65.020, Imposition of Special Parcel Tax, and is attached in full in redline. The measure states that all revenues generated by the Special Parcel Tax, together with any interest and penalties thereon, shall be collected each fiscal year and deposited into the Fund.

The requirement to deposit interest and penalties is inconsistent with the Teeter Plan Resolution approved by the Board in 1993. In October 1993, the Board adopted Resolution Number 541-93 authorizing the Alternative Method of Tax Distribution (the “Teeter” plan). The plan allows the County to distribute taxes to cities and special

districts based upon their calculated share of the property tax roll. This allows cities and special districts to rely on a definite amount of tax revenue, with the County absorbing the risk of delinquencies along with retaining any late penalties and interest received when the delinquent assessments are eventually paid.

Since the passage of the Teeter Resolution, the County has been “Teetered”, meaning charges placed on the tax bill for collection are treated this way with very limited exceptions.

In the example of Measure Q funds, the full amount of this Special Parcel Tax placed on the bills would be assumed to be 100% collected and 100% available for distribution in December (50%), April (45%) and June (remaining 5% after any corrections post) of each fiscal year. If the funds are not teetered, the amount distributed would be the amount of Special Parcel Tax actually collected at the time of distribution. In general, if not part of the Teetered Plan, the amounts collected and distributed may be lower than what is distributed under the Teeter Plan.

Measure Q, Ch. 4.65.100, allows for amendments to this requirement to be modified by Board action if it is consistent with the Act and does not change the amount of the Special Parcel Tax collected or the use of the funds so the Board can resolve this conflict. An Ordinance is attached for the Board's review and consideration which eliminates the specific reference to “together with any interest and penalties thereon” language and, in so doing, would allow for Measure Q funds to be managed as part of the County's Teeter plan.

Financial Impact

Implementation of the updated Santa Cruz County Code will align with the County's Teeter Plan.

Strategic Initiatives

Equity Framework - County Facilities & Infrastructure, Plans, Policies & Budgets
Operational Plan - Operational Excellence

Submitted By:

Jeff Gaffney, Director of Parks, Open Space and Cultural Services
David Reid, Director of the Office of Response, Recovery and Resilience

Recommended By:

Carlos J. Palacios, County Executive Officer

Artificial Intelligence Acknowledgment:

Artificial Intelligence (AI) did not significantly contribute to the development of this agenda item.