

RESOLUTION NO. 2022-34

RESOLUTION OF THE COUNCIL OF THE CITY OF MARYSVILLE, STATE OF CALIFORNIA, APPROVING A REPAYMENT AGREEMENT BETWEEN THE COUNTY OF YUBA AND THE CITY OF MARYSVILLE FOR PROPERTY TAX ADMINISTRATION FEES AND VEHICLE LICENSE FEES OWED TO THE CITY AS A RESULT OF A STATE AUDIT

At a regular meeting of the Council of the City of Marysville, County of Yuba, State of California, held on the 20th day of September, 2022.

WHEREAS by statute, counties are responsible for the administration of local property taxes by assessing and collecting them and then disbursing the revenue to the appropriate agencies ; and

WHEREAS some of that property tax revenue must be allocated to each county's Educational Revenue Augmentation Fund (ERAF) that reallocates portions of local property tax revenue to fulfill the state's constitutional obligation to fund education; and

WHEREAS the State reviews ERAF reports and verifies computations used to determine the shift of property taxes from local government agencies to ERAF; and

WHEREAS the State also reviews Sales and Use Tax and recomputed Vehicle License Fee (VLF) computations to verify the amount transferred from ERAF to counties and cities to compensate for the diversion of these revenues; and

WHEREAS on May 6, 2022, the California State Controller released a draft audit report of apportionment and allocation of property tax revenues in Yuba County, finding that the county incorrectly calculated the SB 2557 administrative cost factor and VLF for the period July 1, 2014 through June 30, 2021; and

WHEREAS the County over collected property tax administration fees (PTAF) from the City for years 2017-18 through 2020-21 totaling One Hundred Thirty Four Thousand Three Hundred Ninety Four Dollars and Sixty Four Cents (\$134,394.64); and

WHEREAS the County made errors in the VLF shift calculation from the City for years 2015-16 through 2020-21 resulting in an underpayment of the revenue to the City from ERAF in the amount of Two Hundred Fifty Six Thousand Nineteen Dollars and Thirty One Cents (\$256,019.31); and

WHEREAS the corrections for fiscal year 2021-21 result in ERAF owing the City an additional amount of Fifty Thousand One Hundred Dollars and Sixty Cents (\$50,100.60); and

WHEREAS the result of making said adjustment leaves the County of Yuba and ERAF owing the City of Marysville a net amount of Four Hundred Forty Thousand Five Hundred Fourteen Dollars and Fifty Five Cents (\$440,514.55); and

WHEREAS finance staff of the City and the County have agreed to a direct payment in full to the City no later than December 9, 2022 of the PTAF overpayment totaling One Hundred Thirty Four Thousand Three Hundred Ninety Four Dollars and Sixty Four Cents (\$134,394.64) ; and

WHEREAS finance staff of the City and the County have agreed to a repayment schedule of six semiannual installment payments over three year through December and April Property Tax Apportionments, commencing with payment #1 of the 22/23 First Property Tax Apportionment in the amount of Three Hundred Six Thousand One Hundred Nineteen Dollars and Ninety One Cents (\$306,119.91).

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Marysville approves a repayment agreement between the County of Yuba and the City of Marysville for the PTAF and VLF owed by the County of Yuba to the City of Marysville in a total amount of Four Hundred Forty Thousand Five Hundred Fourteen Dollars and Fifty Five Cents (\$440,514.55).

I HEREBY CERTIFY that the foregoing resolution was duly and regularly introduced and adopted by the Council of the City of Marysville, County of Yuba, State of California, on the 20th day of September, 2022, by the following vote:

Ayes: Stuart Gilchrist, Dominique Belza, Brad Hudson, Bruce Buttacavoli and Chris Branscum
Noes: None
Absent: None
Abstain: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of said City this 20th day of September, 2022.

By: 
Nicole Moe, City Clerk

City of Marysville, California
By its City Council


Chris Branscum, Mayor