

## COMPARISON OF SALES, HOTEL AND PROPERTY TAX REVENUES AMONG MUNICIPAL JURISDICTIONS IN SANTA BARBARA COUNTY

### Summary and Conclusion

This study is not a comprehensive review of city or county funding. As a comparison of local revenues it illustrates relative financial support within each municipality. Variances result from local circumstances and State laws regulating the allocation of revenue.

### Local Sales Taxes – Exhibit A

Of the sales taxes collected by local businesses, one percent (1%) of taxable sales is returned to the city government if the sale occurred in a city or to the county government if the sale occurred in the unincorporated area.

This tax is credited to the city or county regardless of where the taxpayer lives. The disparity in per capita sales tax revenues illustrated in the table reflects the amount of commercial activity within each jurisdiction and its population.

Other revenues such as the half-cent public safety sales tax approved by voters in 1993 (Proposition 172) are distributed on a basis different than where the sale occurred.

### Hotel Taxes – Exhibit B

Transient Occupancy Taxes, commonly called the Hotel Tax, are generated when cities or counties tax the rental price of hotel or motel lodging. The amount generated varies based on the amount of hotel business in the jurisdiction and the tax rate, which is typically 8-10% of the room rate.

Communities that are tourist locations or are located on transportation corridors typically generate higher per capita revenues than other communities.

### Property Taxes – Exhibit C

The property tax revenues are mathematically derived. They are based on the property taxes received by each jurisdiction in the previous year, plus taxes resulting from new assessed value growth within the agency.

Historically in California property taxes generated by local agencies were determined by applying a “property tax rate” approved by the governing board of the agency to the taxable value within the agency. The enactment of Proposition 13 in 1978, however, modified the method for calculating property taxes. Taxes were limited to a total of one percent of the value of property and each agency’s share of the tax was based on its of “taxing effort” during the three years ending in 1978.

The portion of property tax revenues allocated to counties, cities and special districts has declined substantially in recent years as the State, using the Educational Resource Augmentation Fund, shifted these taxes to local school districts, thereby reducing the State's financial payments to school districts by a corresponding amount.

The property tax comparison does not include the County since its property taxes are used to support countywide services as well as unincorporated municipal services.

#### Summary Table – Exhibit D

Exhibit D summarizes and ranks the combined per capita revenues for each city from sales, hotel and property taxes. There is a significant disparity between the cities which is apparent by examining the table.

There are significant variations between cities and the unincorporated area with regard to sales and hotel taxes. The County's revenue stream in the unincorporated area from these sources is \$81 per unincorporated resident, as compared to the cities of Solvang (\$743), Buellton (\$511), Santa Barbara (\$273), Santa Maria (\$171) and Carpinteria (\$132). It is higher than the Cities of Lompoc (\$78) and Guadalupe (\$24).

If you have any questions regarding this information please contact the LAFCO office.

### Exhibit A - Sales Tax Comparison

Jurisdiction	Population State Dept of Finance as of 1/1/2000	Sales Taxes State Bd. of Equalization Fiscal Year 1998-99	Per Capita Sales taxes*
Buellton	3,910	\$ 1,213,465	\$ 310
Solvang	3,075	945,215	307
Santa Barbara	92,800	15,963,923	172
Santa Maria	72,900	10,894,654	149
Carpinteria	15,200	1,220,727	80
Lompoc	43,300	2,621,265	61
Guadalupe	6,550	156,481	24
Unincorporated area	174,100	8,800,560	51
Entire county	461,835	\$41,818,189	\$91

\* Rounded to the nearest dollar

Per capita average of cities

\$ 139

## Exhibit B – Hotel Tax Comparison

Jurisdiction	Population State Dept of Finance as of 1/1/2000	Hotel Taxes (TOT) Information provided by individual cities Fiscal Year 1999-2000	Per Capita Hotel taxes*
Solvang	3,075	\$ 1,340,100	\$ 436
Buellton	3,910	786,230	201
Santa Barbara	92,800	9,392,000	101
Carpinteria	15,200	788,363	52
Unincorporated area	174,100	5,144,596	30
Santa Maria	72,900	1,579,854	22
Lompoc FY 98-99 data	43,300	717,414	17
Guadalupe	6,550	0	0
Entire county	461,835	\$19,748,556	\$42

\* Rounded to the nearest dollar

Per capita average of cities

61

### Exhibit C – Property Tax Comparison

Jurisdiction	Population State Dept of Finance as of 1/1/2000	Property Taxes Information provided by County Auditor-Controller Fiscal Year 1999-2000	Per Capita Property Taxes*
Solvang	3,075	\$ 631,442	\$205
Buellton	3,910	383,942	98
Santa Barbara	92,800	7,737,504	83
Carpinteria	15,200	968,939	64
Lompoc	43,300	2,069,319	48
Santa Maria	72,900	3,205,380	44
Guadalupe	6,550	\$84,062	\$13

\* Rounded to the nearest dollar

Per capita city average	237,735	\$15,080,587	\$63
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### Exhibit D – Summary Table

Jurisdiction	Per Capita Sales taxes*	Per Capita Hotel taxes*	Per Capita Prop. Taxes*	Combined Taxes
Solvang	\$ 307	\$ 436	\$ 205	\$ 948
Buellton	310	201	98	609
Santa Barbara	172	101	83	356
Santa Maria	149	22	44	215
Carpinteria	80	52	64	196
Lompoc	61	17	48	126
Guadalupe	24	\$ 0	\$ 13	\$ 37

\* Rounded to the nearest dollar

Per capita city average

\$ 355