



**SAN BENITO COUNTY  
AGENDA ITEM  
TRANSMITTAL FORM**

Dom Zanger  
District No. 1  
Vice-Chair

Kollin Kosmicki  
District No. 2  
Chair

Mindy Sotelo  
District No. 3

Angela Curro  
District No. 4

Ignacio Velazquez  
District No. 5

---

**Item Number: 1.16**

**MEETING DATE:** 06/24/2025

**DEPARTMENT:** COUNTY ADMINISTRATION OFFICE

**AGENDA ITEM PREPARER:** Gracie Rodriguez

**DEPT HEAD/DIRECTOR:** Esperanza Colio Warren

**SUBJECT:**

**COUNTY ADMINISTRATIVE OFFICE - E. COLIO WARREN**

Adopt Resolution supporting California property tax apportionment reform and authorize participation in joint legislative advocacy efforts with Santa Cruz and Monterey Counties, directing the Clerk of the Board or designee(s) to transmit the resolution to the Governor, members of the California State Legislature, and other relevant stakeholders.

SBC FILE NUMBER 119

RESOLUTION. NO. 2025-39

**AGENDA SECTION:**

CONSENT AGENDA

**BACKGROUND/SUMMARY:**

For the past 45 years, the County of San Benito has operated under a property tax distribution formula established by the California State Legislature. Under this formula, San Benito County receives a comparatively lower share of local property tax revenue, which has presented ongoing challenges in adequately funding essential public services and infrastructure. This formula can only be modified through legislative action at the state level or by a statewide ballot initiative. The attached resolution supports a review and potential reform of California's property tax apportionment system to ensure a more equitable and sustainable distribution of resources for counties like San Benito. The goal is to strengthen the County's capacity to deliver critical services and meet the needs of its residents.

**HISTORY**

Prior to 1912, the State of California derived up to 70 percent of its revenue from property taxes. However, since 1933, the state has largely shifted away from relying on property taxes, with the only property tax directly levied, collected, and retained by the state being on privately owned railroad cars. Today, the state's primary revenue sources include personal income taxes, sales and use taxes, bank and corporation taxes, and various excise taxes. In contrast, property taxes have become a critical funding source for local governments, including counties, cities, school districts, community colleges, and special districts. During the 2022–23 fiscal year, property taxes generated over \$89 billion for local governments. These funds were distributed as follows: 53 percent to schools, 14 percent to counties, 12 percent to cities, and 20 percent to special districts.

A significant turning point in California's property tax system occurred with the passage of Proposition 13 in 1978. Passed in response to rapidly rising property taxes and a state revenue surplus, Proposition 13 rolled back property assessments to 1975 market values and limited property tax rates to 1 percent of assessed value, plus any voter-approved bonded indebtedness. Additionally, it capped annual increases in assessed value at 2 percent unless there was a change in ownership or new construction. The impact on local government revenue was immediate and substantial: county property tax revenues dropped from \$10.3 billion in 1977–78 to \$5.04 billion in 1978–79. In response, the state provided legislative bailouts totaling \$9.02 billion during the first two years following the measure's passage. While property tax revenues have since grown—reaching over \$89 billion in 2022–23—the constraints imposed by Proposition 13 continue to shape the fiscal framework for local governments throughout California.

In the County of San Benito, tax revenues total \$30.1m, including sales, hotel, and property taxes, make up about 9% of the County's \$338.2 million budget. Property taxes account for the majority of this, 80%. However, only 11 cents (11%) of every property tax dollar paid goes to the County. This means for every dollar of property tax, only 11 cents is allocated to the County for services, with the remainder going to schools, local special districts, cities, and the libraries. [Reference FY24/25 Budget]

The County of San Benito, like other counties in California, is mandated to serve as the local safety net by providing essential general services. However, due to its historically low share of property tax revenue, the County faces significant challenges in meeting the needs of its rural, disadvantaged, and low-income communities. This funding shortfall is reflected in both infrastructure and staffing deficits.

Neighboring counties that receive a larger share of property tax revenue are able to offer more competitive salaries, making it difficult for San Benito County to recruit and retain qualified personnel. As a result, the County experiences ongoing critical vacancies across key departments, affecting service delivery to the public.

While staff acknowledges the importance of addressing this imbalance, it is also recognized that property tax allocation is a zero-sum system—any increase in the County's share would necessarily impact other local agencies.

The attached resolution represents a vital step toward addressing this long-standing inequity. By adopting the resolution, the Board of Supervisors will formally support efforts to reform state property tax apportionment and request that the Legislative Analyst's Office (LAO) update its outdated AB 8 analysis from February 3, 2000. The County will also work collaboratively with Santa Cruz County and other partners on legislative advocacy to pursue a more equitable distribution of property tax revenue across

California counties.

Approval of the recommendations contained in this report will have no impact on the General Fund.

**RESOLUTION OR ORDINANCE NEEDED FOR THIS ITEM:**

Yes

**CONTRACT NEEDED FOR THIS ITEM:**

No

**RFP AND BID HISTORY:**

N/A

**LAST CONTRACT AMOUNT OR N/A:**

N/A

**CONTRACT HISTORY (Describe all amendments and previous contracts):**

N/A

**STRATEGIC PLAN GOALS: 1. Operational Development & Excellence**

Yes

**STRATEGIC PLAN GOALS: 2. Planning And Sustainable Growth**

Yes

**STRATEGIC PLAN GOALS: 3. Technology**

No

**STRATEGIC PLAN GOALS: 4. Community Engagement**

No

**STRATEGIC PLAN GOALS: 5. Health & Safe Community**

No

**BUDGETED:**

N/A

**BUDGET ADJUSTMENT NEEDED:**

N/A

**SOURCE OF FUNDING:**

N/A

**UNFUNDED MANDATE:**

N/A

**SBC BUDGET LINE ITEM NUMBER:**

N/A

**CURRENT FY COST:**

N/A

**STAFF RECOMMENDATION:**

Adopt a resolution supporting California property tax apportionment reform and authorize participation in joint legislative advocacy efforts with Santa Cruz and Monterey Counties, directing the Clerk of the Board or designee(s) to transmit the resolution to the Governor, members of the California State Legislature, and other relevant stakeholders.

**ATTACHMENTS:**

[Resolution in Support of California Property Tax Appointment Reform](#)

[Property Tax Allocations](#)

[LAO AB 8 analysis Feb 3 2000](#)

[5.06.2025 -Future Agenda Item Request - Kosmicki - Property Tax Reform](#)