


Agenda Report Reviewed by:

City Manager: 

CITY OF SEBASTOPOL
CITY COUNCIL
AGENDA ITEM

Meeting Date: May 18, 2021
To: Honorable Mayor and City Councilmembers
From: Ana Kwong – Administrative Services Director
Subject: Adoption of Resolution of the City of Sebastopol Authorizing Entrance into an Agreement for Collection of Special Taxes, Fees, and Assessment and authorize Mayor to sign agreement.

Recommendation That the City Council adopt the Resolution .

Funding: Currently Budgeted: Yes No N/A
Net General Fund Cost:
If Cost to Other Fund(s)

Account Code/Costs authorized in City Approved Budget AK (verified by Administrative Services Department)

INTRODUCTION/PURPOS:

The item is for the City Council to Adopt a Resolution of the City of Sebastopol Authorizing Entrance into an Agreement for Collection of Special Taxes, Fees, and Assessment and authorization for Mayor to sign Agreement.

BACKGROUND:

Annually the City utilizes the service provided by the Sonoma County Assessor Office to collect taxes, fees or assessments. State law authorizes the County to recoup its collection costs when the County collects taxes, fees, or assessments for any City, zone or improvement District when requested by the City. To ensure the continuity of this service, the City desires to revise the collection agreement of special taxes, fees, and assessments.

DISCUSSION:

The County of Sonoma Property Tax division recently conducted a review of Direct Charge agreements currently on file and determined that most were outdated and/or inconsistent across agencies. In an effort to standardize their Direct Charge agreements, they are requesting that all agencies execute an updated agreement shall be effective for the Fiscal Year 2021-22 and shall automatically renewed for each fiscal year thereafter unless terminated for any reason for any ensuing fiscal year by giving written notice thereof to the County prior to May 1st of the preceding fiscal year.

To ensure that our direct charges are levied for the 2021-22 tax roll, the agreement must be fully executed and returned to the County of Sonoma no later than August 10, 2021.

PUBLIC COMMENT:

As of the writing of this staff report, the City has not received any public comment. However, public comment from interested parties following the publication and distribution of this staff report will be provided to the City Council as supplemental materials before or at the meeting. In addition, a consent calendar item may be requested to be removed from the consent calendar if a member of the Council or public requests to provide public comment on this item.

PUBLIC NOTICE:

This item was noticed in accordance with the Ralph M. Brown Act and was available for public viewing and review at least 72 hours prior to schedule meeting date.

FISCAL IMPACT:

There are no fiscal impacts associated with approving the revised agreement with the County.

RECOMMENDATION:

Staff recommends that the City Council adopt the Resolution of the City of Sebastopol Authorizing Entrance into an Agreement for Collection of Special Taxes, Fees, and Assessment.

Attachment(s):

1. Original Agreement – 1987
2. Updated Agreement - 2021

AGREEMENT FOR COLLECTION OF SPECIAL
TAXES, FEES, AND ASSESSMENTS

TAX Codes 802-808

THIS AGREEMENT is made and entered into this 13th day of August, 1997, by and between the COUNTY OF SONOMA, a political subdivision of the State of California, hereinafter referred to as "County" and the City of Sebastopol, a municipal corporation of the State of California, hereinafter referred to as "City".

WITNESSETH:

WHEREAS, state law authorizes the County to recoup its collection costs when the County collects taxes, fees, or assessments for any City, zone or improvement District thereof; and

WHEREAS, when requested by City, it is in the public interest and efficient that the County collect for City the special taxes, fees, and assessments imposed on parcels subject to real property tax;

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. County agrees, when requested by City as hereinafter provided, or as required by law, to collect on the County tax rolls the special taxes, fees, and assessments (hereinafter collectively referred to as "charges") of City, and of each zone or improvement district thereof, except as follows: (1) Tax bills will not be generated for charges imposed on parcels exempt from real property taxation because of low value. Existing charges on such parcels will be removed from the tax rolls and referred to the City for further collection efforts. (2) Tax bills will be generated for parcels that are immune or otherwise exempt from real property taxation; however, unpaid charges on such parcels will be removed from the roll if they become delinquent, and the charge referred to the City for further collection efforts.

2. Beginning in 1998-99 the County may charge the sum of .0085 of the annual levy, as specified by the City, for each special tax, fee, or assessment that is to be collected on the County tax rolls by the County for the City.

3. City agrees to notify the Auditor-Controller of the County on or before the 10th day of August of each fiscal year of the Assessor's parcel numbers and the amount of each special tax, fee, or assessment to be collected. To be effective, the notice must be received by the Auditor-Controller by said date. City shall only submit for collection taxes, fees, or assessments which City believes comply with all requirements of state law.

4. City hereby releases and forever discharges County and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of any action taken by City in establishing a special tax, fee, or assessment and implementing collection of special taxes, fees, or assessments as contemplated in this agreement.

5. City agrees to and shall defend, indemnify and save harmless County and its officers, agents and employees ("indemnified parties") from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of or resulting from implementation of this agreement by the indemnified parties except to the extent such liability or damage is caused by or results from the sole negligence of the indemnified parties.

6. City agrees that its officers, agents and employees will cooperate with County by answering inquiries made to City by any person concerning City's special tax, fee, or assessment, and City agrees that its officers, agents and employees will not refer such individuals making inquiries to County officers or employees for response. County agrees to refer any incorrectly directed inquiries to City for response.

7. City shall not assign or transfer this agreement or any interest herein and any such assignment or transfer or attempted assignment or transfer of this agreement or any interest herein by City shall be void and shall immediately and automatically terminate this agreement.

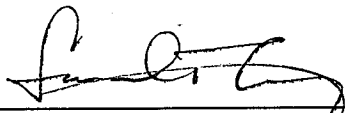
8. This agreement shall be effective for the 1997-98 fiscal year and shall be automatically renewed for each fiscal year thereafter unless terminated as hereinafter provided.

9. Either party may terminate this agreement for any reason for any ensuing fiscal year by giving written notice thereof to the other party prior to May 1st of the preceding fiscal year.

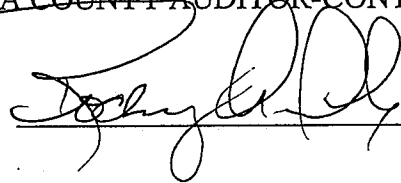
10. County's waiver of breach of any one term, covenant, or other provision of this agreement, is not a waiver of breach of any other term, nor subsequent breach of the term or provision waived.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

City of Sebastopol

By: 
Samuel T. Crump, Mayor

SONOMA COUNTY AUDITOR-CONTROLLER



AGREEMENT FOR COLLECTION OF SPECIAL
TAXES, FEES, AND ASSESSMENTS

THIS AGREEMENT is made and entered into this ____ day of _____, 20 ____, by and between the COUNTY OF SONOMA, a political subdivision of the State of California, hereinafter referred to as "County" and the CITY OF SEBASTOPOL, a municipal corporation of the State of California, hereinafter referred to as "City".

WITNESSETH:

WHEREAS, state law authorizes the County to recoup its collection costs when the County collects taxes, fees, or assessments for any School District, Special District, zone or improvement District thereof; and

WHEREAS, when requested by City, it is in the public interest and efficient that the County collect for City the special taxes, fees, and assessments imposed on parcels subject to real property tax;

NOW, THEREFORE, IT IS AGREED by and between the parties hereto as follows:

1. County agrees, when requested by City as hereinafter provided, or as required by law, to collect on the County tax rolls the special taxes, fees, and assessments (hereinafter collectively referred to as "Charges") of City, and of each zone or improvement district thereof, except as follows: (1) Tax bills will not be generated for Charges imposed on parcels exempt from real property taxation because of low value when the total amount of the tax bill is \$10 or less. Charges on all parcels exempt from real property taxation because of low value that are unpaid at the end of the fiscal year will be removed from the tax roll and referred to the City for further collection efforts. (2) Tax bills will not be generated for Charges imposed on parcels that are immune or otherwise exempt from real property taxation when the total amount of the tax bill is \$10 or less. Charges on all parcels that are immune or otherwise exempt from real property taxation that are unpaid at the end of the fiscal year will be removed from the tax roll and referred to the City for further collection efforts.

2. When County is to collect City's Charges, City agrees to notify the Auditor-Controller of the County on or before the 10th day of August of each fiscal year of the Assessor's parcel numbers and the amount of each Charge to County. To be effective, the notice must be received by the Auditor-Controller by said date.

3. County may charge a cost recovery fee for each Charge that is to be collected on the County tax roll in an amount sufficient to recover the costs incurred by the County to collect the Charge on behalf of City. This cost recovery fee will not exceed 0.0085 of the annual levy.

4. City warrants that the Charges imposed by City and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218).

5. City agrees to re-certify each year that the Charges imposed by the City and collected pursuant to this Agreement comply with all requirements of state law, including but not limited to Articles XIII C and XIII D of the California Constitution (Proposition 218). City further agrees to provide any other documentation, such as a certified copy of the City Board's Resolution or Ordinance authorizing the Charges to be collected on the secured tax bill or a certified ballot measure, supporting the authority to levy the Charges as requested by County and that, without this documentation, it is the Auditor-Controller's discretion whether to place the Charges on the tax roll.

6. Indemnification. Without limiting the County's obligations under California law to collect the Charges, the City agrees to defend and indemnify the County, its agents, officers and employees (the "County Parties") from any demands, liability, losses, damages, expenses, charges or costs of any kind or character, including attorneys' fees and court costs (collectively, Claims) arising from performance of this Agreement. City shall, at its own expense, defend any suit or action founded upon a claim of the foregoing. City further releases and forever discharges the County and its officers, agents and employees from any and all claims, demands, liabilities, costs and expenses, damages, causes of action, and judgments, in any manner arising out of City's responsibilities under this Agreement or other action taken by City in establishing the Charges and implementing collection of the Charges as contemplated in this Agreement. Without limiting the generality of the foregoing, City shall hold harmless, defend, and indemnify County and its elected and appointed officers, officials, employees, and agents, from and against any claim or suit to determine the legality of the Charges or arising from or related to the accuracy of the information provided by City, or any procedures employed by the County or its officers or employees in the collection of the Charges. If any judgment is entered against any of the County Parties as a result of action taken to implement this Agreement, City agrees that

County may offset the amount of any judgment paid by County or by County Parties from any monies collected by County on City 's behalf, including property taxes, special taxes, fees, or assessments. County may, but is not required to, notify City of its intent to implement any offset authorized by this paragraph.

7. To promote and maintain efficient property tax administration, City agrees:

a. That its officers, agents and employees will cooperate with County by timely answering inquiries made to City by any person concerning City's Charges, and that its officers, agents and employees will not refer such individuals making inquiries to County officers or employees for response.

b. To follow all administrative procedures as established by the County, including submitting all documents and data in the required formats to County by established deadlines, and providing all requests for removal or correction of charges in writing.

c. City is responsible for the validity and accuracy of the amount of the Charges as well as the assessor parcel number to which it is being charged regardless if such data is submitted by the City itself or by a third-party consultant/contractor on its behalf.

d. That administrative citations and fines and other charges of this nature will not be placed on the secured roll.

e. That City gives the Auditor-Controller the authority to process and handle at his or her discretion special situations and unusual circumstances not addressed elsewhere in this Agreement. Such actions may include the removal of Charges from the tax bill and relieving County from any further responsibility for collection making City solely responsible for its collection. Should this situation occur the Auditor-Controller will promptly notify City.

8. City shall not assign or transfer this agreement or any interest herein and any such assignment or transfer or attempted assignment or transfer of this agreement or any interest herein by City shall be void and shall immediately and automatically terminate this agreement.

9. This agreement shall be effective for the 2021-2022 fiscal year and shall be automatically renewed for each fiscal year thereafter unless terminated as hereinafter provided.

10. Either party may terminate this agreement for any reason for any ensuing fiscal year by giving written notice thereof to the other party prior to May 1st of the preceding fiscal year.

11. County's waiver of breach of any one term, covenant, or other provision of this agreement, is not a waiver of breach of any other term, nor subsequent breach of the term or provision waived.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

City: _____

By: _____

SONOMA COUNTY AUDITOR-CONTROLLER
