



AUDITOR CONTROLLER
COUNTY OF HUMBOLDT

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Telephone (707) 476-2452 Fax (707) 445-7449

Date: May 15, 2023

To: Special Districts, Cities, School Districts, and Other Taxing Entities

Re: Direct Charge Process

The information provided in this memo is intended to assist special districts, school districts, and other taxing entities or special purpose districts with placing direct charges on the county property tax roll. Please feel free to contact the Humboldt County Auditor-Controller's Office (hereinafter referred to as "Auditor-Controller") with any questions or concerns about this process. Grace Hamaker, Senior Accountant/Auditor, is available to support your agency via email at ghamaker@co.humboldt.ca.us or by phone at (707) 476-2543. You may also email propertytax@co.humboldt.ca.us or call the mainline at (707) 476-2452.

BACKGROUND INFORMATION

Direct charges are permitted to be imposed and placed on the Humboldt County tax roll per government code. There are numerous California code sections that give cities, counties, and districts the authority to impose direct charges via the property tax billing process, including but not limited to GOV §§50075, 50077(b), 50078, 50079, and 53978.

Once the district has submitted all required information to the county, the Auditor-Controller places the charge on the tax roll. Property tax payments are collected by the Treasurer-Tax Collector and the funds are apportioned to the district's fund in the county treasury by the Auditor-Controller.

Direct charges include special taxes, special assessments, charges for services, delinquent charges for services, or abatements. Examples include fire protection, water/sewer, stormwater maintenance, delinquent water/sewer payments, code enforcement abatement costs, or Property Assessed Clean Energy (PACE) loans.

LEGAL REQUIREMENTS

It is the responsibility of the special district to determine that the direct charges are authorized to be placed on the tax roll. If the direct charges do not meet minimum legal requirements, the Auditor-Controller's office cannot place the charges on the county tax roll.

The following four conditions must be met in order to apply direct charges to the county tax roll:

1. State law provides for the direct charge's authorization to exist.
2. The district is empowered by law to execute the direct charge.
3. The direct charge is authorized by law to appear on the tax roll.
4. The governing body of the district has directed the Auditor-Controller to place the direct charge on the applicable tax roll.

If your district currently has a direct charge that is collected by the Auditor-Controller that may not meet all the above legal requirements, it is recommended that you request an electronic copy of the most recent charge list as soon as possible. Please include the full name of the direct charge and/or the five-digit tax code with your request. This list should be reviewed by your district board, legal counsel, and/or Humboldt Local Agency Formation Commission (LAFCo).

If a special district will be placing a new direct charge on the tax roll, please contact the Auditor-Controller's office as soon as possible to ensure that all legal requirements are met.

Per Government Code §26911 and Health and Safety Code §§5474.4 and 101330, **August 10th** of each year is the last day that the Auditor-Controller may receive direct charges for the current year tax roll. If the direct charge files are not provided to the Auditor-Controller, the direct charges will not be on the county tax roll.

COST TO THE DISTRICT

There is a cost recovery charge billed to any district placing items on the tax roll. These amounts are listed in the County of Humboldt Fee Schedule.

- New charges are \$3.00 per parcel and a flat rate \$250.00 direct charge setup cost.
- Ongoing charges are \$0.25 per parcel.
- Corrections after August 10 are \$15.00 each.

Cost recovery charges are billed to the district fund via journal entry prepared by the Auditor-Controller staff. Annual charges post in December after tax revenues have been apportioned. Other charges will be posted in April and/or June. The journal entry dates for these charges are determined by Auditor-Controller staff to prevent district funds from over-drafting as a result of cost recovery charges whenever possible.

PREPARING THE DIRECT CHARGE LIST

Each year, the district is responsible for determining the validity and accuracy of the direct charges. The direct charge must be for the correct assessment and for the correct amount and must be verified by the district. The Auditor-Controller acts in an administrative capacity and is not legally responsible to determine validity of assessments or charges.

Direct charges which apply to low value or exempt parcels may either be direct billed by the District or billed and collected by the Treasurer-Tax Collector Department. If billed by the Treasurer-Tax Collector then the direct charges will be billed through the county tax roll by following the direct charge procedures delineated herein along with the district submitting a separate excel file for low value or exempt parcels to the Auditor-Controller. This will result in charges from the Auditor-Controller as listed in the "Costs to the Districts" section of this letter

and \$6.00 for the Treasurer-Tax Collector's cost recovery fee per each low value or exempt parcel billed, per the County of Humboldt Fee Schedule.

Assessment roll information can be obtained by contacting the Humboldt County Assessor's office at (707) 445-7663 or via email to the email address, Assessor@co.humboldt.ca.us. The information that will be provided free of charge in Excel format will be: Assessment/Fee Parcel Number, Assessee Name, Situs, Tax Rate Area, Use Code, and Exemption Code. The Assessor can also provide a list of Use Codes and Exemption Codes with descriptions. If your district wants mailing address and/or value information included there will be a cost for that information and you should contact the Assessor directly for the amount.

SUBMITTING DIRECT CHARGES TO THE AUDITOR-CONTROLLER

Direct charges are submitted to the Auditor-Controller in electronic format to the Property Tax Inbox at Propertytax@co.humboldt.ca.us via Excel file for import. All information for a taxing entity's request for direct charges to be added to the county tax roll must be sent to the Auditor-Controller. Submissions of direct charges sent to any other location, including other County departments, cannot be processed. All submissions must be sent to the Auditor-Controller.

The Excel direct charge import file should contain the parcel number, dollar amount, and tax code (five-digit number assigned by the Auditor-Controller) for each direct charge.

Formatting Requirements:

- Do not include a header row.
- Assessment number should have "text" or "general" format in Excel and should not be formatted as "number." The leading zeros must display.
- Column 1 is the assessment number. Column 2 is the direct charge amount. Column 3 is the tax code.

Data example:

001023045000	25.00	50123
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Field 1. (APN) The Assessor's Parcel Number – 12 digits.

Field 2. (Amount) The amount to be billed to the taxpayer.

It must be an even amount (divisible by 2).

If it is negative, put the minus (-) sign in front of the amount (i.e. -110.00).

Use the decimal point on all amounts EXCEPT fixed length.

Field 3. (Tax Code) 5-digit tax code. Obtain your tax code from the Auditor's Office.

Please be sure to avoid any special formatting as this will cause the property tax system to reject processing the file.

Annual direct charge lists must be accompanied by a resolution adopted by the district which states clearly the district's intent to levy direct charges via the tax roll for 2023-24 and should include other pertinent information such as cost per unit of benefit, original date of ballot proposal, direction to Auditor-Controller to list direct charges on the tax roll, etc.

Note: LAFCo will be making available to all special districts a resolution template that complies with the state law and the Auditor-Controller's requirements for direct charges. Email Colette Metz at colettem@humboldtlafo.org for the template.

Complete annual direct charge submittal to the Auditor-Controller must include:

- Excel file of direct charges
- District Resolution (PDF File)
- Direct Charge Information Sheet (PDF File)

Districts can submit individual requests for changes to direct charges via the Auditor-Controller's Direct Charge Roll Correction form (attached). This form is used to request adjustments throughout the year (after August 10) and will incur the \$15 roll correction cost.

PROPERTY TAX REVENUE APPORTIONMENT

Property taxes are due December 10 and April 10. Additional time is needed after the due date for the Treasurer-Tax Collector to post the payments before the Auditor-Controller can apportion the money to districts. Apportionments will typically occur 2-4 weeks after the due dates, and again in late July for June 30 apportionments. Once the property tax revenue is apportioned, the revenue is available to you in your district fund(s). Fund draws can be requested by the district by sending in a completed claim form for the draw to the CTYAuditor@co.humboldt.ca.us email inbox or by email Grace Hamaker at ghamaker@co.humboldt.ca.us.

The Auditor-Controller can process revenue distributions for property tax revenue upon written request and establishment of a memorandum of understanding (MOU) between the district and the Auditor-Controller. Please be advised that any potential charges for services will apply as per the County of Humboldt Board of Supervisor's adopted fee schedule. The revenue distributions process involves direct charge reports being provided to the district and the issuance of a check or EFT payment to the district for property tax revenue that has been apportioned to the district fund(s). Please contact our office to discuss options for revenue distributions.

REPORTS

Detail reports for direct charges are available upon request. Please include the full name of the direct charge and/or the five-digit tax code with your request. These reports can be for Paid or Unpaid Direct Charges for the current tax year. These reports cannot be run for prior years.

Please email Grace Hamaker (ghamaker@co.humboldt.ca.us) or by phone at (707) 476-2543 with any direct charge or property tax related submissions or inquiries.

Information for this process is updated annually and is available online at: <https://humboldt.gov/2862/Special-Districts>