

August 3, 2000 (Agenda)

Local Agency Formation Commission  
105 East Anapamu Street  
Santa Barbara CA 93101

## **Comparison of Sales Tax Revenues in Santa Barbara County**

Dear Members of the Commission,

### RECOMMENDATION

It is recommended the Commission receive and file the attached report.

### DISCUSSION

Revenue allocation greatly influences the ability of local agencies to provide desired services and also impacts land use planning. In 1994 the staff prepared a report comparing the allocation of local sales tax, hotel tax and property tax revenues to jurisdictions within Santa Barbara County.

The impetus for the 1994 report was the City of Guadalupe's proposal to expand its Sphere of Influence and annex the DJ Farms property. The City said the annexation was needed to increase economic activity and tax revenues to support lagging municipal services.

Six years have passed since the report was prepared and Commissioners may find updated figures useful. The report compares sales, hotel and property taxes among Santa Barbara County's seven cities and the unincorporated area but it is not a comprehensive evaluation of governmental finance nor does it correlate the taxes received with the types of service each agency provides.

The report consists of separate tables for sales tax, transient occupancy tax and property tax, with a summary table that combines these revenue sources for each jurisdiction.

Reallocating local revenues, for example apportioning sales taxes so they are distributed at least in part based on population is one of the local government financing issues that was addressed by the Commission on Local Governance for the 21<sup>st</sup> Century and by other statewide projects.

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The enclosed report makes no recommendations regarding fiscal matters or reallocating revenues. It is an informational document to update the 1994 report.

Sincerely,

BOB BRAITMAN  
Executive Officer

cc: County Supervisors Joni Gray  
County Supervisor Naomi Schwartz  
County Administrator Mike Brown  
County Auditor Bob Geis  
Each City Manager