September 19, 2019

John W. Vineyard, Presiding Judge
Superior Court of California, County of Riverside
4050 Main Street
Riverside, CA 92501

Mr. Michael McDonald, Foreperson
Riverside County Grand Jury
Post Office Box 829
Riverside, CA 92502

Riverside County Clerk-Recorder
2720 Gateway Drive
Riverside, CA 92507

Subject: 2018-2019 Grand Jury Report: Community Facilities District Bond Funding in Riverside County Perpetual Debt under CFD and Service Area Taxes

Dear Michael McDonald, Grand Jury Members and Honorable John Vineyard:

This letter is in response to the Grand Jury report listed above and the Grand Jury letter to County Auditor Controller Paul Angulo dated June 27, 2019.

The Riverside County Auditor-Controller’s Office places over 4.1 million line items of fixed charges totaling approximately $650 million on the secured tax roll each year. The charges are comprised of several different types of charges for nearly three thousand district fund numbers for hundreds of different districts/ agencies. The charges are due to the Auditor-Controller by August 10 to be included on the annual secured tax roll.

In accordance with Government code §26911, Health and Safety Code §5474.4 and §101330, the Auditor-Controller performs its statutory responsibility for each district/agency by placing the direct assessment/fixed charge on the tax bill and distributing the corresponding collections to the agency. The district/agency is responsible for providing the information regarding the assessment calculation. It is the district’s responsibility to administer its fixed charges and determine the method by which billing/collection will occur. Districts may determine that the most efficient method of billing/collection is to direct the Auditor-Controller to place non-Ad Valorem charges (fixed charges) on the secured tax bills. Any over/under/missing charges are the responsibility of the district directing the charge to be placed on the secured tax bills. Fixed charges and their
corresponding amounts may change with each roll year. Districts/Agencies are responsible to submit information each year including an electronic data file, a Proposition 218 certification form, and their Board or Council approved resolution/ordinance authorizing the charge.

During the enrollment period, the Auditor-Controller requires the above documentation to be presented to support four key criteria:

1. State law provides for the fixed charge's authorization to exist
2. The district is empowered to execute the charge levy
3. The charge is authorized to appear on the tax roll
4. The governing body of the district directs the Auditor-Controller to place the fixed charge on the applicable tax roll (this would typically be done by an ordinance or resolution).

It is the district's responsibility to send the appropriate documentation to the Auditor-Controller each year for enrollment/submittal to the property tax roll. The Auditor-Controller has a statutory responsibility to place the charges on the secured tax bill.

If you require additional information, please feel free to contact my office at 951-955-3800.

Sincerely,

[Signature]

Paul Angulo, CPA, M.A.
County Auditor-Controller