



# ***PRESS RELEASE***

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***SENATE BILL 107 TO CORRECT PROPERTY TAX ALLOCATION INEQUITY  
FOR SARATOGA AND THREE OTHER SANTA CLARA COUNTY CITIES***

For more than 30 years, the cities of Saratoga, Monte Sereno, Los Altos Hills, and Cupertino have not received an equitable allocation of property tax revenue from the State. But that is likely to change now that the State Legislature has approved Senate Bill 107, which will eliminate this discrepancy.

Saratoga, Monte Sereno, Los Altos Hills, and Cupertino are the only cities in Santa Clara County allocated less than the minimum allocation of 7 percent of property taxes. These four cities have been allocated approximately 5 percent.

The bill, which still awaits the Governor's signature as part of the State's budget, will restore the full share of the cities' property tax allocation. In total, the value to the four cities is estimated at \$2.57 million annually, including \$650,000 for Saratoga, \$200,000 for Monte Sereno, \$320,000 for Los Altos Hills, and \$1.4 million for Cupertino.

"Property tax revenue is the greatest source of income for Saratoga," Mayor Howard Miller said. "Correcting this 30-year inequity in property tax distribution will go a long way in allowing Saratoga to continue funding critical services and infrastructure improvements, such as public safety and road maintenance."

The State has been returning a lower percentage of property tax dollars to the four Santa Clara County cities because of a discrepancy in the law. The disparity began in 1978 following the passage of Proposition 13. The voter-approved initiative restricted property tax valuations, creating a revenue problem for cities with low rates at that time.

In 2007, legislation was approved which returned a portion of the minimum property tax allocation to the cities. SB 107 returns the remainder over a five-year phase-in period.

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“Residents in Saratoga, Cupertino, Monte Sereno and Los Altos Hills have been paying their property taxes for years but received less than their rightful share returned to them by the state,” said State Senator Jim Beall, who helped champion the bill. “SB 107 corrects this inequity and provides more dollars for their hometowns, money that will pour into their general funds to be spent on streets, libraries, parks, or whatever priority they deem fit.”

State Assembly Member Evan Low said he was proud to support his district by voting for the bill.

“I’m proud that this bill allows for a number of broad-based benefits for local governments, including an end to the requirement for four cities in Santa Clara County to reimburse the County ERAF for Tax Equity Allocations over a five-year period,” Low said. “This bill is a huge win for our region and will save our local governments millions of dollars each year.”

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