

CITY OF ARCATA
Revenue Descriptions

Secured Property Tax Secured property taxes are taxes on real property including land improvement, mines and mineral rights, and possessory rights. The tax is 1% of the property's assessed value. The City receives approximately \$.08 for each \$1.00 of property tax collected. Other agencies such as schools, the library, the community college, etc., receive the balance of property tax revenue.

Unsecured Property Tax Unsecured property tax is a tax on the property contained within a business such as machinery and equipment, office furniture, tools and supplies. Airplanes and boats are also on the unsecured roll. The City receives approximately \$.15 for each \$1.00 of unsecured property tax collected.

Supplemental Roll The supplemental roll tax is the interim tax for new buildings and building and land transfers.

Timber Yield Tax Timber yield tax is a tax assessed on timber that is cut within the County of Humboldt. The tax is allocated to local agencies.

Sales Tax Sales tax is a tax applied to most items (except food) sold at the retail level. For every taxable dollar spent within the City of Arcata, the City receives \$.01 of the sales tax.

Transactions & Use Tax Transactions and Use Tax was approved by the voters in November 2010 for a period of 20 years. It is applied at a rate of .75%.

Utility Users Tax Utility Users Tax is a 3% tax on electricity, gas, water, wastewater, cable television, and telephone.

Transient Occupancy Tax The Transient Occupancy Tax (TOT) is a tax imposed by the City on occupants of hotels, motels, and RV parks. A transient pays a tax of 10% of the amount charged. Each hotel, motel, or RV park collects the tax at the same time as the rent is collected and remits the tax to the City.

Franchise Tax The Franchise Tax is a tax on the use of public rights of way.

Business Licenses Business licenses are issued for all businesses. License fees are intended solely to raise revenue and are not intended for regulation. The fees charged for the business licenses are set by resolution of the City Council. Business license taxes are collected by the Finance Director.

Real Property Transfer Tax The Real Property Transfer Tax is assessed by the County Recorder's Office when a property transfer occurs. The current rate is \$1.10 per \$1,000 of the assessed value of the property transferred.

Animal Licenses

The owner of every dog within the incorporated areas of the City must pay a license fee of \$15.00 annually for spayed or neutered dogs, and \$45.00 for other dogs.

Parking Meters

“Parking meter zones shall be established within boundaries which coincide with designated preferential parking zones. Within the parking meter zones, streets where parking is permitted at parking meters shall be designated by a resolution by the City Council. The rate of fee for parking within a parking meter zone shall be \$.50 per hour.” (Arcata Municipal Code 3512)

Building, Electrical, Gas and Heating, Plumbing Permits

Building and other related permits are issued by the City of Arcata for all building or reconstruction within the City of Arcata.

Parking Fines

Parking fines are set in accordance with the appropriate California Vehicle Code section. A portion of the fine is collected by the City and the balance is remitted to the County.

General Misdemeanors

General misdemeanor fines are collected by Humboldt County’s municipal and superior courts from people who commit traffic and/or criminal misdemeanors within the City of Arcata.

Investment Income

The City of Arcata operates its temporary pooled idle cash investments under the Prudent Man Rule. This affords the City a broad spectrum of investment opportunities as long as the investment is deemed prudent and allowable under the current legislation of the State of California.

Rents and Leases – Ball Park, Buildings and Community Park

The City of Arcata owns a variety of public buildings and sports fields for which rent and fees are charged for their use. The Fee Resolution contains the actual rental costs.

Rents and Leases - Crematory

The City contracts for use of the crematorium by local funeral service companies.

State Motor Vehicle Fees “In Lieu” Tax

The City of Arcata receives income from the State of California from motor vehicles licensing fees. The Revenue and Taxation Code provides that 81.25% of all motor vehicle license fees received by the State be allocated 50% to cities and 50% to counties. The payment to cities is distributed based on the proportion that the population of each city bears to the total population of all cities.

Off-Highway Motor Vehicle License Fee

The state off-highway motor vehicle license is distributed to the City of Arcata from the State of California.

Homeowners Tax Relief

The Homeowners’ Property Tax Relief Program is provided for in the State Constitution. It exempts the first \$7,000 of the market value of a homeowner’s principal residence from property taxes. The City is reimbursed by the State for the lost revenue due homeowners’ property tax relief.

**FEMA & OES
Reimbursement**

Funds received by the City from FEMA and OES for disaster related reimbursements.

**State-Mandated Cost
Reimbursement**

The City is reimbursed by the State for State programs which are mandated. The State reimburses the City for mandated costs if the funds are budgeted by the State.

Abandoned Vehicle Rebate

Funds to be received through the Department of Motor Vehicle registration fees.

Planning and Zoning Fees

Fees collected to cover City expenses in processing land use application.

Plan Check Fees

Plan check fees are to reimburse for checking plans for compliance with current planning and zoning regulations. Charges for current services are fees paid to the City by a prospective builder for plan check.

Special Police Services

Special police service is revenue received from a variety of sources; for example, loud party fees.

Bicycle Safety/Awareness

Bicycle traffic violation fees are to be used to fund a bicycle safety program.

Decal Sales

This is income from the sale of the second and third preferential parking permits for neighborhoods surrounding Humboldt State University. This money is collected by the Finance Department.

Alarm Fees

This is a fee collected from people who have alarm systems that, if triggered, will automatically dial the Police Department. This is a fee for false alarms charged to the owner of the property to defray costs of the police response to the false alarm. These fees are set by resolution of the City Council.

**Recreation Programs -
Other**

These fees charged to persons who utilize the various recreation programs and/or facilities offered by the Recreation Department. Examples are: gymnastics, youth basketball and preschool.

**Recreation Program Fees –
Self Supporting**

Fee charged for contract leisure classes.

**Recreation Program Fees –
Non-Resident Fees**

Non-resident fees are charged to those who do not live, own property or a business within the city limits of Arcata. Non-residents are subject to a surcharge of 15% of the program fee.

Prison Extradition Refunds

These are reimbursements from the State when the police must go out of state to extradite a fugitive for trial.

**Police Reimbursement
Revenue**

Police reimbursement revenue is money that is paid by private citizens for damage to police property.

<u>DUI Recovery</u>	DUI Recovery is a program that attempts to recover costs for police services rendered for emergency response to DUI-related expenses. The DUI emergency response program states that up to \$1,000 can be recovered for emergency response due to negligence of operating a vehicle under the influence of alcohol or narcotics.
<u>Humboldt County Drug Task Force</u>	The Humboldt County Drug Task Force is a multi-district agency who, through their combined efforts, attempt to control both the cultivation and trafficking of narcotics in Humboldt County. Assets connected with drug trafficking are sold through the forfeiture process. The funds received are used to support the Task Force. Revenues may only be used to enhance law enforcement efforts.
<u>Bicycle Licenses</u>	Bicycle license fees are collected by the City through the sale of bicycle licenses.
<u>Sidewalk Repairs</u>	Sidewalk repairs are fees charged to the property owner by the City for repairs.
<u>P.O.S.T. Reimbursement</u>	The Commission Peace Officer Standards and Training is a state fund accumulated from monies derived from a portion of fines paid by criminals. P.O.S.T. offers certified courses which are paid by P.O.S.T. funds. Arcata sends Police Officers to P.O.S.T. certified courses and receives full reimbursement of costs incurred.
<u>Forest Revenue-Timber Sales</u>	Funds received for logs harvested from City-owned forest properties, such as the Arcata Community Forest and the Jacoby Creek Community Forest.
<u>State Gas Tax</u>	The State Gas Tax is divided into a series of different categories which each have a specific purpose for which they are used. The Gas Tax is divided into three categories: construction funds, maintenance funds and engineering funds.
<u>State Gas Tax 2106-Construction</u>	This money is available for any street or road purpose.
<u>State Gas Tax 2107-Maintenance</u>	These funds may be used for any street construction or maintenance purposes.
<u>State Gas Tax 2107.5-Engineering</u>	This money is available for engineering costs and administrative expenses.
<u>State Gas Tax 2105-Street Maintenance</u>	This money is available for any street or road purpose.
<u>Vehicle Code Fines</u>	Fines for traffic violations are allocated to the City of Arcata and to Humboldt County. The City portion is deposited into the traffic safety fund and be used for related expenditures.

HCD Block Grant

These funds are received as grants from the State Department of Housing and Community Development, which grants money for specific projects.

Industrial Park Rentals

Rental charges for land rented from the City in the Industrial Park.

Residential Construction Tax

A tax of 1% of the value of multi-family structures is levied as a residential construction tax for the purpose of acquisition, improvement, expansion and maintenance of City public parks.

Parkland-In-Lieu

The Parkland-In-Lieu fee is a fee collected from subdividers for the purpose of acquiring necessary land and developing new or rehabilitation of parks and recreational facilities reasonably related to serving the subdivision.

Special Assessment Districts

The City administers two active districts – Windsong Landscaping and Janes Creek Meadows. These districts were formed to fund the installation and maintenance of open spaces in these subdivisions. Properties within the district are assessed amounts as an addition to the property tax bills.

Humboldt County Drug Task Force

The Humboldt County Drug Task Force is a multi-district agency who, through their combined efforts, attempt to control both the cultivation and trafficking of narcotics in Humboldt County. Assets connected with drug trafficking are sold through the forfeiture process. The funds received are used to support the Task Force. Revenues may only be used to enhance law enforcement efforts.

Water Service Charges

Water service charges are set by the Fee Resolution. Water service charges are sufficient to cover all normal operating expenses, including all maintenance and service expenses such as labor, materials, supplies, and bonds.

Water Utility-Change of Service

The change of service charges are set by the Fee Resolution.

Double Check Valves

Double check valves and backflow preventer are used to prevent water from flowing back into the City water supply. Double check valves are required by the State Health Department.

Private Fire Protection

Private fire protection fee rates are set by the annual Fee Resolution. The rates are for fire service and water consumed by private un-metered fire lines used exclusively for fire protection. Changes are based on line size.

Wastewater Service Charges

Wastewater service charges are set by the Fee Resolution. Wastewater service charges are sufficient to cover all normal operating expenses, including all maintenance and service expenses such as labor, materials, supplies, and bonds.

<u>Wastewater Connection Fee</u>	Wastewater connection fees are set by the Fee Resolution. Charges within and outside the limits of the City are payable in advance for the installation of new service and meters, when work is performed by City forces.
<u>TDA Funds</u>	Transportation Development Act funds are available for use for public transportation roads and streets, and bikeways and bike paths. Revenues to the Local Transportation Fund are derived from retail sales tax collected statewide.
<u>State Transit Assistance Funds (STAF)</u>	State Transit Assistance Funds may be used for any transit purpose.
<u>Passenger Fares</u>	Passenger fares are received from riders of A&MRTS. Fares are determined by resolution of the City Council.
<u>Special Fees – HSU</u>	Students of Humboldt State University (HSU) pay a reduced fare ride on A&MRTS buses. HSU reimburses A&MRTS the difference.
<u>Passenger Fares – Dial-A-Ride/Dial-A-Lift</u>	Dial-A-Ride services Arcata residents who qualify for door-to-door service because of disability or age and cannot use the public transit service. Dial-A-Lift is designed to complement the existing taxi Dial-A-Ride service with a vehicle equipped with a lift. This service vehicle also serves a feeder vehicle for wheelchair persons to the accessible transit buses.
<u>Bus Advertising</u>	Revenues are received from persons/businesses advertising on the interior of A&MRTS buses.
<u>Integrated Waste Management - AB 939</u>	The State of California, in Assembly Bill 939, mandated the City to manage solid waste within its jurisdiction. The City Council adopted this fee to pay for the management program.
<u>Solid Waste Service Charges</u>	User charges for garbage pick-up service.
<u>Central Garage</u>	The Central Garage is an internal service fund which is responsible for the purchase and maintenance of vehicles for the City. The Central Garage bills each of the City’s departments for its services.
<u>Drainage Fees</u>	Drainage Fees are collected with building permits to finance the construction, maintenance, improvement and enhancement of erosions control and drainage facilities.
<u>Stormwater Drainage Fees</u>	Fees charged to property owners based on the square footage of impermeable surface. Fees collected are to be used for stormwater management.

County Assessment

Funds accumulated at the County for Janes Creek Storm Drainage Maintenance District to be used for maintenance projects.

**Successor Agency /
Redevelopment**

The City's Redevelopment Agency was established in 1982 to fund redevelopment projects. The Redevelopment Agency is funded through tax increments. The tax increment is the property tax paid on the difference between the base year's assessed value (1982) and the present year's assessed value. The Redevelopment Agency receives approximately \$.60 of every \$1.00 of property tax increment revenue generated. The remaining \$.40 is apportioned to the County and other agencies.

The funds are used for redevelopment projects including rehabilitation, bond debt service, public improvements, major street improvements, planning and design. Redevelopment law requires the Agency to use 20% of its funds for low and moderate income housing needs.

Due to State actions, the Agency was eliminated by statute on June 27, 2011. The Successor Agency is tasked with winding down the affairs of the City's Redevelopment Agency.

Successor Housing Agency

The Housing activities of the former Redevelopment Agency have been transferred to the Successor Housing Fund for development of low and moderate income housing needs.