

COST RECOVERY AMOUNTS

Districts placing direct charge levies on the tax roll are responsible for paying the cost recovery amount associated with the annual process of direct charge billing, collection, apportionment, and reporting.

Effective 7/1/2015, the cost recovery structure is the sum of the following two components rounded to the nearest cent (as shown in the table below):

1. \$150 annual maintenance cost recovery. In the initial year of a Direct Charge levy, a \$300 one-time setup is the cost recovery in lieu of the \$150 annual maintenance.
2. A per levied item cost recovery that operates on an economy of scale basis.

Group	"From"	"To"	Cost Recovery ^b Amount Per Levy		Annual Maintenance ^a Cost Recovery (Flat Amt)
	Levy Count Per Direct Charge Code	Levy Count Per Direct Charge Code			
	-	-	-		150
1	1	24	1.0000	+	150
2	25	49	0.9900	+	150
3	50	74	0.9801	+	150
4	75	99	0.9703	+	150
5	100	124	0.9606	+	150
6	125	149	0.9510	+	150
7	150	199	0.9367	+	150
8	200	249	0.9226	+	150
9	250	299	0.9088	+	150
10	300	374	0.8952	+	150
11	375	449	0.8818	+	150
12	450	549	0.8642	+	150
13	550	674	0.8469	+	150
14	675	824	0.8300	+	150
15	825	999	0.8134	+	150
16	1,000	1,199	0.7931	+	150
17	1,200	1,449	0.7733	+	150
18	1,450	1,749	0.7540	+	150
19	1,750	2,099	0.7314	+	150
20	2,100	2,524	0.7095	+	150
21	2,525	3,049	0.6847	+	150
22	3,050	3,674	0.6607	+	150
23	3,675	4,424	0.6343	+	150
24	4,425	5,324	0.6058	+	150
25	5,325	6,399	0.5755	+	150
26	6,400	7,699	0.5438	+	150
27	7,700	9,249	0.5112	+	150
28	9,250	11,099	0.4780	+	150
29	11,100	13,324	0.4445	+	150
30	13,325	15,999	0.4112	+	150
31	16,000	19,199	0.3783	+	150
32	19,200	23,049	0.3461	+	150
33	23,050	27,674	0.3150	+	150
34	27,675	33,224	0.2851	+	150
35	33,225	39,874	0.2566	+	150
36	39,875	47,849	0.2297	+	150
37	47,850	57,424	0.2044	+	150
38	57,425	68,924	0.1809	+	150
39	68,925	82,724	0.1592	+	150
40	82,725	99,274	0.1393	+	150
41	99,275	119,124	0.1212	+	150
42	119,125	142,949	0.1048	+	150
43	142,950	171,550	0.0901	+	150

^a In the initial year of levy, a \$300 "One Time Setup" is substituted for the \$150 "Annual Maintenance"

^b 1915 Bonds have a statutory maximum of \$16 per levy when the County Auditor-Controller is the administrator.

Below are a few examples of how to apply the cost recovery structure:

Example 1: A previously existing Benefit Assessment District Assessment (created and levied on the tax roll annually beginning 2005), which levies \$300 for each of 241 Assessor's Parcel Numbers (APNs), the Cost Recovery amount would be:

150.00 annual maintenance cost
222.35 241 levies x .9226 per levy cost from group 8
372.35 or \$1.545 each

Example 2: A previously existing Voter-Approved Special Tax (passed in 1998 and levied on the tax roll annually beginning 1999), which levies \$25 for each of 56,504 APNs, the Cost Recovery amount would be:

150.00 annual maintenance cost
11,549.42 56,504 levies x .2044 per levy cost from group 37
11,699.42 or \$0.207 each

Example 3: A brand new Fire Suppression Assessment (created May 12 of this calendar year and not levied on a previous tax roll), which levies \$250 for each of 5,297 APNs, the Cost Recovery amount for the initial year of levy would be:

300.00 annual maintenance cost
3,208.92 5,297 levies x .6058 per levy cost from group 24
3,508.92 or \$0.662 each

For subsequent years, presuming the same counts, the cost recovery amount would be $\$150 + (5,297 \times .6058) = \$3,358.92$ [\$0.634 each]

As a standard practice, the cost recovery amounts associated with the annual process of direct charges billing, collection, apportionment, and reporting will be charged to the district via a journal entry to the appropriate G/L fund (Org code) following the posting of the December 10 collections to ensure that no district's funds are drawn into a negative balance. This cost recovery structure applies to items submitted by the August 10 deadline.

There is an additional \$15 cost recovery per bill for most deletions or corrections after the roll has been extended. Please see the Direct Charges Manual section titled *Additions-Deletions-Corrections After the Tax Roll is Extended*.

The Auditor reserves the right to increase or decrease any cost recovery amount herein provided, in proportion to any costs incurred by the Auditor in providing the services described herein, provided that written notice of any increase or decrease in charges is given in advance to the districts. Any money remitted to the Auditor is used to cover the cost of service.