

STAFF REPORT

BOARD MEETING DATE: May 27, 2025

CATEGORY: Consent Calendar 5

SUBJECT: Approve an agreement with Megabyte Property Tax Systems, Inc., for software services and support.

DEPARTMENT: Assessor-Recorder

SUPERVISORIAL DISTRICT #: All

DEPARTMENT CONTACT: David Baker, Deputy Assessor-Recorder, (530) 225-3603

STAFF REPORT APPROVED BY: Leslie Morgan, Assessor-Recorder

<u>Vote Required?</u>	<u>General Fund Impact?</u>
Simple Majority Vote	Future General Fund Impact

RECOMMENDATION

Approve an agreement with Megabyte Property Tax Systems, Inc., with no maximum compensation, for software support, an Online Business Property Statement Filing module, webservices and maintenance and a Tax Collector's Transient Occupancy Tax module for the period of July 1, 2025, through June 30, 2026.

DISCUSSION

The operation of the County's property tax system requires on-going vendor maintenance and support. Shasta County's property tax system provides a variety of functions primarily to three County departments. The Assessor-Recorder sets values on all secured and unsecured properties in the County; the Auditor applies the tax rates to the roll and apportions the funds; and the Treasurer-Tax Collector produces the tax bills and collects payments. Although this oversimplifies each department's functions, the property tax system is vital to each department in performing their jobs as they relate to administering property taxes accurately and efficiently. The system also provides public access to property tax information, as well as online business property filing. The County's property tax system requires vendor maintenance each year. This software maintenance and support renewal agreement provides the County with application system support for the Megabyte Property Tax System. Maintenance provided by the agreement includes telephone support, fixes to reported problems, system upgrades, and other general system support. The web service maintenance cost provide public internet access to the tax data. Payments will be made to Megabyte Systems, Inc., for the period covering July 1, 2025, through June 30, 2026 as follows: (1) monthly payments of \$19,413.17 for the basic system maintenance and support; and (2) five advance payments as follows: one payment of \$3,896.66 for maintenance and support of the Online Business Property Filing system; one payment in the amount of \$2,792.96 for the Prior Year Tax Bill Online; one payment of \$6,546.34 for Web Services; one payment of \$3,668.64 for maintenance and support of the Transient Occupancy Tax module and one payment of \$3,668.64 for maintenance and support of the Tax Sale Module. Arranging for maintenance and support for large software systems through a software vendor is a generally accepted practice in the software industry. Staff is recommending the approval of the agreement because vendor support and web services are vitally important to the continued operation and success of this computer system.

ALTERNATIVES

There are no viable alternatives at this time. Although Information Technology could conceivably take over maintaining and updating the Megabyte Property Tax system, this alternative would require additional staff and time, and would cost a great deal more than the proposed vendor maintenance.

OTHER AGENCY INVOLVEMENT

County Counsel has approved the agreement as to form. Risk Management has approved the agreement. The Chief Information Officer has approved the agreement. The recommendation has been reviewed by the County Administrative Office.

FISCAL IMPACT

A portion of the agreement costs are recovered from the Property Tax Administration Fees that are collected from outside agencies, the remainder is funded by the General Fund. Costs associated with this agreement are included in the Assessor, Auditor, and Tax Collector's proposed budgets for Fiscal Year 2025-2026.

ATTACHMENTS:

1: MPTS Agreement