



Legislation Text

File #: 19-1333, **Version:** 1

County Counsel recommending the Board deny the tax refund claim submitted by Edward Mackay and refer the matter to County Counsel to provide notice to the claimant. (Est. Time: 10 Min.)

FUNDING: No fiscal impact if the refund is denied.

DISCUSSION / BACKGROUND

On April 9, 2019, the Clerk of the Board of Supervisors received a tax refund claim from Edward Mackay. In this claim, Mr. Mackay stated that he was requesting a return of \$248,014 in taxes levied for tax years 2005-2009. In 2012, the Assessor evaluated new evidence and determined that the ten parcels at issue in this matter would qualify for a tax roll adjustment. Pursuant to the legal statute of limitations, the Assessor was able to make roll adjustments for tax years 2009-2012, reducing Mr. Mackay's tax liability for those years. However, the Assessor was legally prohibited from making roll adjustments for prior tax years. Due to the fact that 1) the County Assessor's Office properly assessed the ten parcels at the time of assessment, 2) the claimant failed to provide additional documentation as requested, and 3) the statute of limitations prohibits the Assessor from making tax roll adjustments for tax years 2005-2009, it is recommended that the Board of Supervisors deny this claim for tax refund.

ALTERNATIVES

If the Board grants this claim, a determination would need to be made regarding the amount to award the claimant. As the Board is aware, property taxes collected by the County Tax Collector are distributed to multiple entities (such as special districts, zones of benefit, and other entities). The number of entities and the amounts distributed change each year. In addition, the period of time at issue in this claim began almost 20 years ago. Information from the Auditor's Office indicates that it would be quite difficult, if not impracticable, to determine how much money should be recovered from each of these districts/zones/entities. Even if this determination could be made, the County may face litigation initiated by these entities to prevent the County from demanding recovery of those funds due to the fact that the statute of limitations for tax roll adjustments has expired.

Lastly, it is recommended that the Board heavily consider the precedent that would be set by granting tax refund claims relating to events occurring many years, if not decades, in the past. Granting such claims would open up the door for other claimants seeking reconsideration of taxes paid even a half-century prior, with few records preserved to assess claim viability. This is a primary reason why the State Legislature has adopted statutes of limitation, particularly for matters in which a taxpayer fails to act timely and taxing entities relied upon those funds to make reliable budgetary plans.

PRIOR BOARD ACTION

No prior Board Action in this matter.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

Assessor, Treasurer - Tax Collector, and Auditor

CAO RECOMMENDATION / COMMENTS

It is recommended that the Board approve this item, denying the tax refund claim.

FINANCIAL IMPACT

There is no fiscal impact if the refund claim is denied. However, there would be an impact of up to \$248,014 to be paid from County general fund if the refund claim is granted and a determination is made that it is infeasible to recover tax revenues previously distributed to special districts, zones of benefit, and other entities.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

N/A

CONTACT

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