



## Legislation Text

**File #:** 18-1276, **Version:** 1

Auditor-Controller recommending the Board adopt and authorize the Chair to sign Resolution **009-2019** permitting certain property tax refunds to be made without a refund claim being filed by the Taxpayer.

### **DISCUSSION / BACKGROUND**

Property tax refunds subject to R&T Code §4836 currently allow the refund to be made without a written claim being filed by the Taxpayer. However, until recently, certain other types of property tax refunds[1] required a written claim to be made by the Taxpayer first before the refund could be made.

SB-1246 (Senator Ted Gaines) recently passed providing that, with the approval of the Board of Supervisors via resolution or ordinance, certain additional types of property tax refunds (Items A-J[1]) may be made without requiring the Taxpayer to first file a written claim. Essentially, SB-1246 allows additional types of property tax refunds to follow the same existing process as those subject to §4836.

Allowing additional types of property tax refunds to follow the same process as §4836 is a win-win situation for the following reasons:

Higher Taxpayer satisfaction of governmental services since Taxpayers receive their money sooner without delays.

Eliminate extra layer of bureaucracy which requires signing a document to get a refund.

The Taxpayer has already been notified by the Assessor, State Board of Equalization, etc. that a change is being made.

Taxpayers and County eliminate the mailing costs associated with a refund claim. Currently the county mails a refund claim form to the Taxpayer to be signed/returned before a check is cut. County becomes more efficient by eliminating a bifurcated process whereby some refunds have claims and others don't.

County pays out less interest (the payout has a minimum rate of 3% versus the 1.15% that is earned, thus the county is currently paying out more than double the rate earned). County always has the option on any specific refund to require a claim to be filed (e.g. if there is concern that refunding a particular party may be the incorrect course of action).

It is the Auditor-Controller's recommendation that the county implement the provisions of SB-1246.

[1] Type of refunds that required a refund claim from a Taxpayer prior to 1/1/2019 (numbered for ease of reference):

- A§4876 State Board of Equalization error (infrequent).
- B§5096 Illegal assessment/levy (infrequent).
- C§5096 Erroneous assessment/levy (recurring).
- D§5096 Property didn't exist at lien date (recurring).
- E§5096 §1614 appeal that isn't also a claim for refund (recurring).
- F§5096.1 Specific annexation situation (not expected to occur).

G§5096.5 New exemption authorized by the State that is retroactive (not expected to occur).  
H§5096.7 Acquisition of property by a Public Entity (recurring).  
I §5140 Refund actions by Taxpayers (once in a blue moon).  
J§5161 Action by a public agency to recover §5140 taxes (not expected to occur).

**ALTERNATIVES**

N/A

**PRIOR BOARD ACTION**

N/A

**OTHER DEPARTMENT / AGENCY INVOLVEMENT**

N/A

**CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

**FINANCIAL IMPACT**

Savings will vary each year, but for every property tax refund that doesn't need a claim to be filed, the County will save 1st class postage, envelope, forms/paper, staff time, etc. The Auditor-Controller Property Tax Division mails 500-2,500 property tax refunds each year.

**CLERK OF THE BOARD FOLLOW UP ACTIONS**

Board Clerk to forward executed Resolution to the Auditor-Controller's Office.

**STRATEGIC PLAN COMPONENT**

N/A

**CONTACT**

Joe Harn