



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Clerk-Recorder-
Assessor
Department No.: 062
For Agenda Of: February 4, 2020
Placement: Administrative
Estimated Time:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Joseph E. Holland
Director(s)
Contact Info: Vida McIsaac 568-2869

SUBJECT: Adoption of Resolution authorizing the Assessor to abate the penalty for Assessee's failure to file a Change in Ownership Statement

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Risk Management Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Adopt a resolution (the "Resolution") that authorizes the Santa Barbara County Assessor to abate the penalty for an Assessee's failure to file a Change in Ownership Statement if the Assessee files the Statement with the Assessor no later than 60 days after the date on which the Assessee was notified of the penalty (Attachment 1); and
- b) Determine that the above-recommended action is not the approval of a project that is subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b)(4), finding that the action is a creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

Summary Text: The California Revenue and Taxation code requires a Change in Ownership Statement to be filed upon certain changes in ownership of property

Section 480 of the California Revenue and Taxation Code provides that: “Whenever there occurs any change in ownership of real property, a manufactured home or a floating home that is subject to local property taxation and is assessed by the County Assessor, the transferee shall file a signed Change in Ownership Statement.”

A penalty applies if the Change in Ownership Statement is not filed.

Section 482(a) of the California Revenue and Taxation Code provides that if a person or legal entity fails to file, fails to file timely, or files an incomplete Change in Ownership Statement after written request by the Assessor, a penalty shall be added to the assessment made on the roll.

The local Assessment Appeals Board may abate the penalty

To abate the penalty provided by Section 482(a), Section 483(a) of the California Revenue and Taxation Code requires an Assessee to file the Change in Ownership Statement, apply for abatement of the penalty, and go before the Assessment Appeals Board to show reasonable cause for failure to file the statement due to circumstances beyond the Assessee’s control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect.

The Assessor may abate the penalty, rather than the Assessment Appeals Board, if a Resolution is adopted by the Board of Supervisors

Section 483(b) of the California Revenue and Taxation Code provides that the Board of Supervisors may adopt a resolution making section 483(a) inapplicable. In such case, the Assessor may abate the penalty if the Assessee files a completed Change in Ownership Statement not later than 60 days after the date on which the Assessee was notified of the penalty.

Background:

While Preliminary Change in Ownership Statements are filed on a majority of real property transfers in Santa Barbara County, the Assessor has an occasional need to seek information and request an Assessee to file a Change in Ownership Statement. In these circumstances, should the Assessee fail to file, but then submit, the completed Statement within 60 days of the notice of penalty, the Assessor seeks the ability to abate the penalty pursuant to the Revenue and Taxation Code. Adoption of the Resolution will streamline this process and benefit both the County and taxpayers.

Attachments:

Attachment 1: Resolution Regarding the Abatement of Certain Change in Ownership Statement Penalties

Special Instructions:

Please forward a copy of the minute order and one original copy of the fully executed resolution to Vida McIsaac in the County Assessor’s Office.

Authored by: Vida McIsaac, Product Owner-Manager

Fiscal and Facilities Impacts:

The penalty prescribed by Section 482(a) is the greater of \$100 or 10 percent of the current year's taxes applicable to the interest transferred, not to exceed \$5,000 for property eligible for a homeowner's exemption or \$20,000 non-eligible property.

There are two methods of abatement prescribed: filing a timely application with the Clerk of the Board and abatement by the Assessment Appeals Board or, if a resolution is adopted, by filing a sufficient Change in Ownership Statement with the Assessor within the specified period. Adoption of resolution will result in fewer assessment appeal hearings, impact to other departments, and a more simplified course of action for the taxpayer. Non-compliance with form filing is anticipated to be low. Minimal fiscal impact.