



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: Auditor-Controller
Department No.: 061
For Agenda Of: December 11, 2018
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Theodore A. Fallati, CPA, CPFO
Director(s) Auditor-Controller

Contact Info: Trevor C. Lysek, CPA
Division Chief, x 2181

SUBJECT: Approving the operation of new Rev. & Tax. Code Section 5105, authorizing payment of certain property tax refunds without a claim for refund being filed.

County Counsel Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Adopt a Resolution in the Matter of Approving the Operation of Revenue and Taxation Code Section 5105; and
- b) Determine that the above 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)(5), finding that the action involves government organizational or administrative activities that will not result in direct or indirect physical changes to the environment.

Summary Text: Adopting the resolution will allow the County, effective January 1, 2019, to issue property tax refunds to the assessee of the property, or to the latest recorded owner of the property, as shown on the tax roll, without the taxpayer filing a verified claim when both the following conditions are met:

- (1) There has been no transfer of the property during or since the fiscal year for which the taxes subject to refund were levied.

(2) The amount of the refund is less than five thousand dollars (\$5,000).

Background

Existing property tax law requires property taxes to be refunded to the taxpayer or last recorded owner, as provided, under specified circumstances and generally requires that a refund only be made pursuant to a claim for refund. Existing law also requires the claim to be verified by the person who paid the tax, including his or her guardian, executor, or administrator.

Senate Bill 1246 was chaptered by the Secretary of State on September 11, 2018 becoming effective January 1, 2019. This legislation among other things adds Section 5105 to the Revenue and Taxation Code altering the current claim for refund process for property taxes to allow refunds without the filing of a claim if there has been no transfer of the property during or since the fiscal year for which the taxes subject to the refund have been levied, and the amount of the refund is less than \$5,000. However, all these provisions only become operative if the Board of Supervisors of the County adopts a resolution or ordinance approving the operation of Section 5105.

Approving the operation of Section 5105 will help ensure constituents do not overpay their taxes by streamlining and modernizing the process for expediting property tax refunds. If approved, the refund process will become more efficient for both the County and the taxpayer by eliminating the need for the claim process for approximately 90% of property tax refunds (approx. 1100 per year). The claim process includes claim generation and printing by the Auditor-Controller, mailing to the taxpayer for signature, and the returning of the verified claim back to the Auditor-Controller. Related cost savings will include reductions in staff time, postage, and printing costs. In addition, being able to issue refunds immediately without having to wait for a returned verified claim will result in reduced interest paid on refunds for those refunds subject to interest.

Special Instructions:

Please have the Clerk of the Board provide a certified copy of the Board Resolution to the Auditor-Controller.

Attachments:

Board Resolution

Authored by:

Trevor C. Lysek

cc: