



Board Agenda Item 12

DATE: April 23, 2019

TO: Board of Supervisors

SUBMITTED BY: Jean M. Rousseau, County Administrative Officer

SUBJECT: Amendment to the Master Schedule of Fees for an Assessment Appeals Application Processing Fee

RECOMMENDED ACTION(S):

- 1. Conduct a first hearing of a proposed Ordinance to amend the Fresno County Master Schedule of Fees, Charges and Recovered Costs Ordinance by adding Subsection 414 of Section 400 - Board of Supervisors, Application for Changed Assessment Processing Fee (\$86); waive reading of the Ordinance in its entirety, and set second hearing for May 7, 2019;**
- 2. Designate County Counsel to prepare a fair and adequate summary of the proposed Ordinance; and**
- 3. Direct the Clerk of the Board to post and publish the required summary in accordance with Government Code Section 25124(b)(1).**

Approval of the recommended actions would revise the existing Master Schedule of Fees, Charges, and Recovered Costs to recover the costs of processing Applications for Charged Assessment to property tax (Assessment Appeals).

ALTERNATIVE ACTION(S):

Your Board may choose not to implement an \$86 fee to recover costs. If the fee is not implemented, the Clerk will continue to receive its allocation of SB2557 revenues, recovering only 25% of cost.

FISCAL IMPACT:

Currently, there is no fee to charge the property owners for the services provided by the Clerk and the Assessment Appeal Board for the filing of an Application for Changed Assessment. The Clerk does receive an allocation of Property Tax Administration Program (PTAP) revenues (SB2557) that provides only about 25% cost recovery (\$9,214 for the Clerk). Charging an \$86 fee would recover approximately 100% of costs (\$37,324). The new revenues generated from the implementation of the proposed fee would potentially reduce or eliminate the \$9,214 in SB2557 revenue transfers to the Clerk; however, it would still result in a net revenue increase of \$28,110 based on the \$86 fee times the number of applications filed (434) in 2018. The amount of revenue from the proposed fee will be in direct correlation to the actual number of applications received during each fiscal year.

DISCUSSION:

In an effort to maximize revenue recovery, the County Administrative Officer is proposing to establish a fee

to recover the costs of processing Applications for Changed Assessment to property tax (Assessment Appeals). The Clerk of the Board is tasked with Administrative duties relative to the Assessment Appeals process and serves as staff for the Assessment Appeals Board (MB).

The Board of Supervisors may impose a reasonable fee for the filing of Applications for Changed Assessment (Assessment Appeals) pursuant to Section 16 of Article XIII of the California Constitution. This provision of the California Constitution empowers the Board of Supervisors to fix the compensation for Assessment Appeals Board Members, furnish clerical and other assistance to the Appeals Boards, and adopt such rules of notice and procedure as may be required to facilitate their work and to ensure uniformity in the processing and decision of equalization petitions.

Property owners have a right to challenge their property assessment by filing an Application for Changed Assessment (Assessment Appeals). The Assessment Appeals Board, appointed by the Board of Supervisors in their capacity as the local Board of Equalization, determines the value of the property after hearing evidence from the applicant and from a representative for the Assessor's Office.

The past five years have shown a decrease in the number of applications received. However, during economic downturns and the related real estate market, the Clerk's office experiences an increased volume in Assessment Appeals. With the increase in the number of appeal applications, the Clerk's office has had to dedicate more time to accepting applications, ensuring that applications meet the requirements for completeness and timeliness, responding to inquiries regarding the applications as well as hearing procedures.

In an effort to recoup County staff costs, the proposed fee is a nonrefundable \$86 per application, which will recover approximately 100% of the Clerk's office total cost of the appeal processing and staffing the Assessment Appeals Board.

As of March 2019, there are 35 counties that charge a fee for each Application for Changed Assessment as shown in Attachment A.

The Assessor supports working with taxpayers to resolve assessment issues outside of the formal appeals arena. The Assessor is always willing to consider additional information that may be relevant to the assessment of the property. To that end, the Assessor informs taxpayers of their right to an informal review on each Notice of Supplemental Assessment and Notice of Escape Assessment sent to taxpayers by the Assessor. Unfortunately, there is not always agreement as to the assessed value and the taxpayer may choose to file an appeal. Sometimes taxpayers, or their agents, may simply file an appeal without availing themselves to an informal review. Under some circumstances, the only legal avenue available to make an assessment change is through the appeal process.

It is the goal of the Assessor to minimize the number of Assessment Appeals. The Assessor's Office will continue to address property owner questions regarding the assessed value of their property, regardless of the imposition of this fee.

OTHER REVIEWING AGENCIES:

The current recommended actions have not been presented to the Assessment Appeals Board.

ATTACHMENTS INCLUDED AND/OR ON FILE:

MSF FY 2019-20 Ordinance Including Exhibit A
Attachment A - CA County Fees
On file with Clerk - Summary of Ordinance

CAO ANALYST:

Ronald Alexander