

MEMORANDUM
ASSESSOR DEPARTMENT
COUNTY OF PLACER

TO: Honorable Board of Supervisors
FROM: Gary Powell, Assessment Manager
DATE: January 20, 2009
SUBJECT: Ordinance Regarding Late Filed Parent-Child Claim Processing Fee

ACTION REQUESTED

Approve the attached draft Ordinance asserting Board of Supervisors authority under Revenue and Taxation Code Section 63.1 (j)(2), to establish a processing fee for qualifying change in ownership exclusions not filed within 60 days of the date of the second notice of potential eligibility.

BACKGROUND

In 1986 law was enacted that provided an exclusion from reassessment under specific circumstances for any person transferring property from a parent to child. In 1996 the law was extended to include transfers between grandparent and grandchild. In order to qualify, you must meet the provisions of the law and file a claim within three years of the date of transfer or six-months of the date of supplemental notice.

Over the past four years, the Assessor has received an average of 900 qualifying claims, with approximately 42% being filed late, requiring some degree of assessment work to be reversed or corrected.

FINANCIAL IMPACT

The estimated cost to Placer County to reverse and correct late file claims for 2007-08 was \$60,677, utilizing the maximum fee of \$175 we would be able to recapture \$39,200.

RECOMMENDATION

It is therefore, recommended that your Board assert its authority under Revenue and Taxation Code Section 63.1 (j)(2), establishing a processing fee for qualifying change in ownership exclusions not filed within 60 days of the date of the second notice of potential eligibility.

GP/gp
Attachment

**Before the Board of Supervisors
County of Placer, State of California**

**In the matter of: AN ORDINANCE AMENDING
SUBSECTION D. OF SECTION 2.116.030
OF THE PLACER COUNTY CODE TO ADD A NEW
PROCESSING FEE FOR CHANGE IN OWNERSHIP
EXCLUSIONS NOT FILED WITHIN SIXTY DAYS
OF THE DATE OF THE SECOND NOTICE OF
POTENTIAL ELIGIBILITY**

Ord. No. _____

First Reading: _____

**The following ORDINANCE was duly passed by the Board of Supervisors
of the County of Placer at a regular meeting held _____, by the
following**

vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

**Attest:
Clerk of said Board**

Chairman, Board of Supervisors

**THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF
CALIFORNIA, DOES HEREBY ORDAIN as follows:**

Section 1: Section 2.116.030 of the Placer County Code is hereby amended by adding a new fee to Subsection D, which shall read as follows:

SEC. 2.116.030 FEES FOR COPIES

....

- D. Assessor's Office Schedule of Fees for Copies of Records and Special Services

....

- 16. Application for Change in Ownership Exclusion (If Filed More Than Sixty Days After the Date of the Second Notice of Potential Eligibility):** \$ 175.00

Section 2: The foregoing specified ordinance amendment shall become effective thirty (30) days after the date of final passage of this ordinance in accordance with Cal. Government Code Section 25123.

**Proposition 58
Cost Breakdown For Late File Claims**

EXAMPLE #1				
	Assessor was notified of property owners death, but valid claim was not filed until after reassessment of the property had taken place and a single roll year correction was processed and billed.	TIME/HR	COST	TOTAL
Assessor	Two Mailings/Contact with Owner in an Effort to Obtain Valid Claim	0.50	\$53.00	\$26.50
Assessor	Initial Reassessment and Value Review	1.20	\$67.00	\$80.40
Assessor	Roll Correction- Create, Review and Approval	0.55	\$53.00	\$29.15
Auditor	Research, Calculations and Audit Process	0.25	\$51.45	\$12.86
Tax Collector	Print and Mail Tax Bills, Process Payment		\$8.23	\$16.46
Assessor	Process Qualifying Claim-			
Assessor	Reverse Reassessment, Roll Correct, Review and Approval	0.55	\$53.00	\$29.15
Auditor	Payment Research, Calculation and Audit to Create Refund	0.75	\$77.98	\$58.49
Auditor	Check Created to Refund Supplemental Payment		\$17.32	\$17.32
TOTAL	Estimated County Cost			\$270.33
	Actual Cost to Property Owner			\$0.00

EXAMPLE #2				
	Assessor was not notified of the property owners 1996 death until 2008. Assessor could not get a valid claim filed, so the current and seven prior rolls were corrected and billed for an increase in value.	TIME	COST	TOTAL
Assessor	Two Mailings/Contact with Owner in an Effort to Obtain Valid Claim	0.50	\$53.00	\$26.50
Assessor	Initial Reassessment and Value Review	3.00	\$67.00	\$201.00
Assessor	Roll Correction- Create, Review and Approval	2.00	\$53.00	\$106.00
Auditor	Research, Calculations and Audit Process	1.25	\$51.45	\$64.31
Tax Collector	Print and Mail Tax Bills, Process Payment		\$8.23	\$66.08
Assessor	Process Qualifying Claim-			
Assessor	Reverse Reassessment, Roll Correct, Review and Approval	2.00	\$53.00	\$106.00
Auditor	Payment Research, Calculation and Audit to Create Refund	1.50	\$77.98	\$116.97
Auditor	Check Created to Refund Supplemental Payment		\$17.32	\$17.32
TOTAL	Estimated County Cost			\$704.18
	Actual Cost to Property Owner			\$0.00

EXAMPLE #3				
	Property owner paid increased tax amount for four years after being notified of parent child eligibility. When a valid claim was finally filed statutes only allowed for "prospective" relief from the value increase.	TIME	COST	TOTAL
Assessor	Two Mailings/Contact with Owner in an Effort to Obtain Valid Claim	0.50	\$53.00	\$26.50
Assessor	Initial Reassessment and Value Review	1.20	\$67.00	\$80.40
Assessor	Process Qualifying Claim-			
Assessor	Reverse Reassessment for Current Roll	0.55	\$53.00	\$29.15
Assessor	Reassessment Review and Approval	0.15	\$67.00	\$10.05
TOTAL	Estimated County Cost			\$146.10
	Actual Cost to Property Owner			\$11,522.00

NOTES:

- 1.) Assessor hourly cost based on labor rates shown in Placer County Code Section 2.116.030(D)
 - Support Staff \$46.00 hr
 - Technical Staff \$53.00 hr
 - Professional Staff \$67.00 hr
 - Systems Staff \$70.00 hr
- 2.) Auditor hourly labor rate from internal cost calculations.
 - Account Clerk \$51.45 hr
 - Account Auditor \$77.98 hr
- 3.) Cost to issue one property tax bill calculated by County Tax-Collector (2007-08). \$8.23 ea
- 4.) Cost to issue a single warrant calculated by County Auditor-Controller (2006-07). \$17.32 ea
- 5.) Cost to process a valid parent child claim application N/A to cost of performing corrections.
- 6.) Additional public service as a result of the corrections/tax bills, is not included in any estimated costs above.

**PROPOSITION-58
PARENT-CHILD EXCLUSION**

**PLACER COUNTY
ASSESSOR DEPARTMENT**

**ESTIMATED LATE FILE
COST TO COUNTY**

	2004-05	2005-06	2006-07	2007-08	2007-08 Estimate Cost
1 Appraisal and Supplemental Cancelled	129	93	71	38	\$5,971
2 One Year Roll Correction to Cancel Bill	295	211	172	125	\$32,762
3 Multiple Year Roll Corrections Required	142	112	98	61	\$21,944
Total Number Appraisal R/A Reversed	566	416	341	224	\$60,677
Number Timely Filed and Processed	629	675	380	458	None
TOTAL PROCESSED	1195	1091	721	682	
Number that Received Prospective Relief Only	3	3	3	5	See Below

1 Cancel Appraisal and Supplemental	Time/Hr.	Cost	Total
Two mailings/contact with property owner to obtain valid claim	0.50	\$53.00	\$26.50
Assessor: Initial r/a and value review and approval	1.20	\$67.00	\$80.40
Auditor: Calculates tax amounts	0.25	\$51.45	\$12.86
Tax Collector: Prints and mails supplemental notice and tax bill		\$8.23	\$8.23
Assessor: Reverses r/a, confirms with owner by mail	0.55	\$53.00	\$29.15
Estimated Average Cost:			\$157.14

**Average County Cost For
Each Late File In 2007-08
\$270.87**

2 One Year Roll Correction to Cancel Bill	Time/Hr.	Cost	Total
Two mailings/contact with property owner to obtain valid claim	0.50	\$53.00	\$26.50
Assessor: Initial r/a and value review and approval	1.20	\$67.00	\$80.40
Assessor: Roll correction processing	0.55	\$53.00	\$29.15
Auditor: Calculates tax amounts	0.25	\$51.45	\$12.86
Tax Collector: Prints and mails supplemental notice and tax bill		\$8.23	\$8.23
Assessor: Process qualifying claim			
Assessor: Reverses r/a, confirms with owner by mail	0.55	\$53.00	\$29.15
Auditor: Payment research, calculation and audit to create refund	0.75	\$77.98	\$58.49
Auditor: Check created to refund overpayment		\$17.32	\$17.32
Estimated Average Cost:			\$262.10

3 Multiple Year Roll Correction to Cancel Bill	Time/Hr.	Cost	Total
Two mailings/contact with property owner to obtain valid claim	0.50	\$53.00	\$26.50
Assessor: Initial r/a and value review and approval	1.20	\$67.00	\$80.40
Assessor: Roll correction processing	1.10	\$53.00	\$58.30
Auditor: Calculates tax amounts	0.50	\$51.45	\$25.72
Tax Collector: Prints and mails supplemental notice and tax bill		\$8.23	\$16.46
Assessor: Process qualifying claim			
Assessor: Reverses r/a, confirms with owner by mail	0.75	\$53.00	\$39.75
Auditor: Payment research, calculation and audit to create refund	1.00	\$77.98	\$77.98
Auditor: Check created to refund overpayment		\$17.32	\$34.64
Estimated Average Cost:			\$359.75

Prospective Relief Examples:

- Example #1 (1-Supp, 4 Reg. Rolls)
- Example #2 (2 Years Escaped Assessments)

\$6,595 (Cost to Taxpayer)
\$1,637 (Cost to Taxpayer)

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