

Office of the Assessor

County of Santa Clara


County Government Center, East Wing
70 West Hedding Street, 5th Floor
San Jose, CA 95110-1771
(408) 299-5500 www.scc-assessor.org



Lawrence E. Stone, Assessor

Prepared by: Mary Solseng
Assistant Assessor

TO: Board of Supervisors

FROM: Larry Stone
Assessor 

DATE: August 27, 2009

SUBJECT: Resolution to waive filing fee

RECOMMENDED ACTION

Adopt Resolution providing a one-time waiver of the \$30.00 filing fee for the Applications for Changed Assessment provided all of the following conditions have been met:

- The person affected or the person's agent, or a relative mentioned in Property Tax Rule 317, timely filed a PROP 8 (DECLINE-IN-VALUE) REQUEST FORM requesting review of the 2009-10 assessed value of the property on or before the Assessor's August 15, 2009 deadline; and
- The Assessor has not completed the review prior to August 31, 2009; and
- The Application for Changed Assessment is filed with the Clerk of the Board between September 1 and September 15, 2009 inclusive.

FISCAL IMPLICATIONS

The County will not receive an unknown amount of \$30 processing fees for those property owners who qualify for the waived fee. Based upon an estimated 5,000 unprocessed requests for review, the maximum cost is \$150,000 in waived filing fees. The Assessor anticipates that not all of the 5,000 will file an Application for Changed Assessment, thus reducing the overall revenue by an unknown amount.

REASONS FOR RECOMMENDATION

The Assessor requested that the Board of Supervisors provide a onetime waiver of the \$30 filing fee for property owners who timely filed a request for reduction to effectively extend the Assessor's ability to review requests for reductions as well protect the property owners administrative rights.

BACKGROUND

In response to the dramatic drop in the market value of residential property values, taxpayers have overwhelmed the Assessor's Office with requests for review of their 2009-10 assessed value.

There are two ways to dispute an annual assessed value: request an informal review by the Assessor or file an Application for Changed Assessment with the independent assessment appeals board, commonly referred to as an assessment appeal. The deadline to request an informal review ended August 15, and the deadline to file an Application of Changed Assessment concludes September 15.

As of August 15, the Assessor's Office had received over 34,000 requests for reductions for the 2009-10 assessment roll; over 16,000 of those were filed since July 1, a 400% increase over the prior year. These requests are above and beyond the 90,000 proactive reductions provided prior to the close of the 2009-10 assessment roll on July 1.

Due to the unexpectedly large volume of requests, the Assessor's entire appraisal staff was redirected from processing, valuing and enrolling assessments resulting from changes in ownership and new construction, to processing requests for reduction. In addition, staff has worked overtime every Saturday since July 22 to keep up with the extraordinary number of requests.

Unfortunately, of the 34,000 requests, 5,000 timely filed requests will not be reviewed by the Assessor without the additional filing of a formal appeal with the Clerk of the Assessment Appeals Board. It is the Assessor's opinion that taxpayers who filed prior to the August 15 deadline seeking relief and were denied review due to the overwhelming number of requests for reduction should not be penalized with a \$30 fee to file a formal appeal. These taxpayers need to file a formal Application for Changed Assessment if they are to receive any further consideration of a reduction to their 2009-10 assessed value.

Applications for changed assessments must be received in the Office of the Clerk of the Board of Supervisors, or postmarked, no later than September 15. Applications received or postmarked after that date cannot be accepted pursuant to State statute.

In considering whether or not to file an Assessment Appeal, taxpayers are urged to keep in mind that the valuation date is January 1, 2009 meaning that only sales or other market data that occurred prior to March 31, 2009 may be considered for the appeal. Sales or other market activity that occur after March 31, 2009 cannot be considered for the January 1, 2009 valuation date.

In addition to an extraordinary effort by the staff in the Assessor's Office, technology has played a key role improving the Assessor and the Clerk's ability to manage the dramatic increases in workload. In the Assessor's Office, the process to request a reduction had been extremely paper intensive and demanding of staff time. This year, staff was able to focus on appraising rather than answering phone calls and manually entering taxpayer information. The Assessor's Office utilized a new system that allowed taxpayers to electronically request a reduction online. That information was then electronically transmitted to the appraiser's work queue. Had this system not been in place the number of requests not reviewed by the Assessor would have been significantly greater.

The Clerk has also implemented enhancements to automate systems, such as streamlining the workflow for scanning and exporting documents from the Clerk to the Assessor. Additional equipment was installed to handle the volume of documents, as well.

In late September the Tax Collector will issue the Annual Tax Bill. Payable in two installments; the first installment of the tax bill is due December 10. Reductions, which are the result of the "informal" review by the Assessor's Office, will be reflected in the tax bill. Filing a formal appeal does not relieve the taxpayer of their obligation to timely pay their property tax bill. Any subsequent reductions in assessed value agreed to by the Assessor or ordered by the Assessment Appeals Board will be separately noticed and may result in subsequent refunds.

Upon approval by the Board, the Assessor's Office will notify the population of requestors that we have not processed their review and that they will need to submit an Application for Changed Assessment in order to pursue any further review of their valuation.

Page 3

August 27, 2009

CONSEQUENCES OF NEGATIVE ACTION

The Clerk of the Board will not be able to waive the filing fee for Assessment Appeals.

ATTACHMENTS

Resolution

**RESOLUTION OF THE COUNTY OF SANTA CLARA BOARD OF SUPERVISORS
PROVIDING A ONE TIME WAIVER
FOR THE FILING FEE FOR ASSESSMENT APPEALS**

WHEREAS, the Assessor notified all property owners of their assessed value in a notification card on June 26; and

WHEREAS, the Assessor proactively reduced the Assessed Value on over 90,000 residential properties prior to the close of the 2009-10 assessment roll on July 1; and

WHEREAS, the Assessor received over 34,000 additional PROP 8 (DECLINE-IN-VALUE) REQUEST FORMs by the Assessor's August 15 deadline; and

WHEREAS, the Assessor has redirected staff resources to address the overwhelming number of requests and anticipates reviewing nearly 30,000 properties by August 31, the Tax Collector's deadline for receiving roll corrections prior to producing tax bills; and

WHEREAS, the Assessor has insufficient time and staff to complete the review requested for approximately 5,000 properties prior to the September 15, 2009 deadline for filing an Application for Changed Assessment; and

WHEREAS, Article XIII, Section 18 of the California Constitution empowers the Board of Supervisors in each county to adopt rules of notice and procedures for assessment appeals boards as may be required to facilitate their work and to insure uniformity in the processing and decision of equalization petitions; and

WHEREAS, the Board of Supervisors adopted a \$30.00 processing fee that is paid at the time of filing an Application for Changed Assessment; and

WHEREAS, the Assessor has requested a one-time waiver of the \$30.00 filing fee for Applications to effectively extend the period of review;

NOW, THEREFORE, BE IT RESOLVED that the Board of Supervisors of the County of Santa Clara will provide a one-time waiver of the \$30.00 filing fee for Applications for Changed Assessment provided all of the following conditions have been met:

- a. A person affected or the persons's agent, or a relative mentioned in Property Tax Rule 317, timely filed a PROP 8 (DECLINE-IN-VALUE) REQUEST FORM requesting review of the 2009-10 assessed value of the property on or before the Assessor's August 15, 2009 deadline; and
- b. The Assessor has not completed the review prior to August 31, 2009; and

- c. The Application for Changed Assessment is filed with the Clerk of the Board between September 1 and September 15, 2009 inclusive.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, this _____ by the following vote:

AYES:
NOES:
ABSTAIN
ABSENT:

Liz Kniss, President
Board of Supervisors

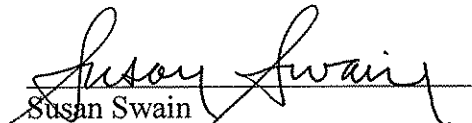
Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.

ATTEST:

Maria Marinos, Clerk
Board of Supervisors

DATED: _____

APPROVED AS TO FORM AND LEGALITY:



Susan Swain
Senior Lead Deputy County Counsel

DATED: 8/27/2009