



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 1/29/2019

Agenda Placement: 6M

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors

FROM: Tracy Schulze - Auditor-Controller
Auditor - Controller

REPORT BY: Christy Redford, Property Tax Specialist - 707 253-4577

SUBJECT: Authorization for the Auditor-Controller to process Assessor Division assessment roll reduction in excess of \$10,000,000 limit permitted under Resolution No. 2013-137 (Revenue & Taxation Code Section 4831.5)

RECOMMENDATION

Auditor-Controller requests authorization to process an Assessor Division reduction in assessed value in excess of the \$10,000,000 limit set forth in Resolution No. 2013-137 pursuant to Revenue and Taxation Code Section 4831.5 for APN 036-160-025 in the amount of \$10,414,805.

EXECUTIVE SUMMARY

Resolution No. 2013-137 authorizes the Auditor-Controller to perform, on behalf of the Board of Supervisors, corrections to the local assessment roll as set forth in Section 4831 et seq. of Revenue and Taxation Code, including corrections that decrease the amount of unpaid taxes, where the amount of the correction does not exceed ten million dollars (\$10,000,000) in assessed valuation.

The County Assessor has submitted a roll correction to the Auditor-Controller for processing that exceeds the authorized limit. The roll correction for APN 036-160-025 reduces the value by \$10,414,805 as it was assessed to this parcel in error. In addition, the County Assessor will place an increase for the reallocation of \$3,407,461 on APN 036-180-050 for the correct value.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No

What is the revenue source?	With the reduction to the assessed value, there is a corresponding decrease in the amount of property tax revenue the county and all other AB8 entities receive through the property tax allocation process. Attached is the calculation showing the anticipated decrease for each taxing entity due to this reduction. The reduction to the General Fund share is estimated at \$17,804. This decrease will be offset by a corresponding increase of \$5,825, for a net decrease of \$11,979.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	No specific impact from this reduction in future years.
Consequences if not approved:	Napa County Assessor is required to assess the fair market value of all land, improvements, and personal property in the county. If these reductions are not made, such requirement will not be met.

Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Resolution No. 2013-137 authorizes the Auditor-Controller to perform, on behalf of the Board of Supervisors, corrections to the local assessment roll as set forth in Section 4831 et seq. of Revenue and Taxation Code, including corrections that decrease the amount of unpaid taxes, where the assessed value of the correction does not exceed ten million dollars (\$10,000,000). The County Assessor has submitted a roll correction to the Auditor-Controller for processing that exceeds the authorized limit.

Two parcels had a change in ownership due to a sale on December 23, 2015. Staff inadvertently allocated the full amount of the sale to just one parcel. The full amount of the sale was allocated to APN 036-160-025, overstating the assessed value. The second parcel, APN 036-180-050, was consequently understated for the assessed value. The County Assessor has identified the entries to allocate the proper values to each parcel. Attachment A provides a breakdown of the estimated net tax reduction for each of the AB8 entities. For the County's General Fund, the estimated reduction of tax revenues for the first parcel is \$17,804, with a corresponding increase to the second parcel of \$5,825, for a net reduction of \$11,979. The total net impact to all funds is \$70,073.

SUPPORTING DOCUMENTS

A . Attachment A APN 036-160-025 2018

CEO Recommendation: Approve

Reviewed By: Helene Franchi