



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 10/30/2018

Agenda Placement: 6J

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 reductions 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 995-133-915 in the amount of \$14,250,000 for structural improvements with a corresponding increase for the same amount to the new owner, and the net effect will be revenue neutral.

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 995-133-915 reduces the value by \$14,250,000 as it was assessed to the old owner in error. The County Assessor will place the increase for the structural improvement on a new assessment for the correct owner.

FISCAL IMPACT

Is there a Fiscal Impact? Yes

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| 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 total reduction to the General Fund share is estimated at \$4,300. As this amount will be billed to the correct owner, we anticipate a revenue neutral transaction. |
| 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 submitted a roll correction to the Auditor-Controller for processing that exceeds the authorized limit.

The parcel had a change in ownership resulting in a supplemental tax bill. The County Assessor placed the increase on the tax roll with the old owner's name. Attachment A provides a breakdown of the estimated tax reduction for each of the AB8 entities. For the County's General Fund, the estimated reduction of tax revenues is \$4,300. As there will be a corresponding increase to the new owner, the reduction will be revenue neutral.

SUPPORTING DOCUMENTS

A . Attachment A APN 995-133-915 Reduction 2016

CEO Recommendation: Approve

Reviewed By: Leigh Sharp