



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/22/2012

Agenda Placement: 7U

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Schulze, Tracy - Auditor-Controller
Auditor - Controller
REPORT BY: Christy Redford, PROPERTY TAX SPECIALIST - 707 253-4577
SUBJECT: AUDITOR-CONTROLLER - UNCLAIMED PROPERTY TAX REFUNDS

RECOMMENDATION

Auditor-Controller requests the following actions transferring unclaimed property tax refunds to the General Fund:

1. Adoption of a resolution delegating authorization to the Auditor-Controller to transfer unclaimed property tax refunds to the General Fund, as provided by Sections 4804 and 5102 of the Revenue and Taxation Code; and
2. Approval to transfer prior years outstanding reconciling items totaling \$40.32 from the Unclaimed Property Tax Refund Account to the General Fund.

EXECUTIVE SUMMARY

The Auditor-Controller is holding certain funds relating to unclaimed property tax refunds. The Revenue and Taxation Code, Sections 4804 and 5102, permits the Auditor-Controller to transfer these funds to the County General Fund by order of the Board of Supervisors. This item, if approved, will delegate authority to the Auditor-Controller to transfer qualified funds to the General Fund annually. This item will also allow a one-time "clean up" in the amount of \$40.32 for outstanding reconciling items from prior years.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Unclaimed property tax refunds

Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	Annual transfer of Auditor-Controller unclaimed property tax refunds. Amounts will vary.
Consequences if not approved:	The General Fund will not realize revenue from transfer. Funds will continue to be held as reconciling items and not utilized.
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

In California, property tax revenue is calculated as 1% of the assessed value of the property. The Assessor's Office sets the value and transfers the taxroll to the Auditor-Controller as of July 1 each year. As changes are made to the value of the property subsequent to the official taxroll, the Assessor sends roll corrections to the Auditor-Controller adjusting the value. When there is a decrease in value resulting in a refund, the Auditor-Controller issues a warrant for the amount due to the taxpayer. If the warrant is still outstanding at the end of six months, the Auditor-Controller cancels the warrant. The Property Tax staff researches the taxpayer's information including communication with the Assessor, Treasurer-Tax Collector, web searches and phone calls. If the refund is \$20 or less, the warrant is not reissued and the funds are transferred directly to a non-interest bearing property tax refund account. If the refund is over \$20, a new warrant is issued with a letter notifying the taxpayer the original warrant is no longer valid. The second warrant is canceled six months after it remains outstanding and the Auditor-Controller transfers the funds to the refund account. The Auditor-Controller will post the information on the County website along with a claim form to request a replacement warrant. Beginning in 2012, the Auditor-Controller will publish a public notice annually in the local newspaper referring interested parties to the Auditor-Controller's page of the County website.

Per Sections 4804 and 5102 of the Revenue and Taxation Code, if no claim is filed within four years, the payment may be transferred to the General Fund by order of the Board of Supervisors. After the four year expiration, the taxpayer may submit a request to the Board of Supervisors for payment.

As of the date of this agenda item, the Auditor-Controller is holding a total of \$34,408.74 in the Unclaimed Property Tax Refund account. \$40.32 is due to prior years outstanding reconciling items, which the Auditor-Controller is requesting to be transferred to the General Fund. \$17,033.17 is over the four years requirement and would be eligible for transfer to the General Fund at the end of the current fiscal year. We anticipate an annual transfer each June 30th of unclaimed funds as part of our year-end process. Please see attached resolution delegating authorization to the Auditor-Controller to transfer funds from the Auditor-Controller Unclaimed Property Tax Refund account to General Fund.

SUPPORTING DOCUMENTS

A . Resolution

CEO Recommendation: Approve

Reviewed By: Helene Franchi