



Agenda Date: 6/14/2005
Agenda Placement: 6K

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Marcia Hull - Treasurer-Tax Collector
Treasurer-Tax Collector
REPORT BY: Linda A Jensen, Tax Collections Manager, 253-4585
SUBJECT: Assembly Bill 2144 RE tax-defaulted, non-residential Commercial Property.

RECOMMENDATION

Treasurer-Tax Collector requests adoption of a resolution continuing the application of the five-year time period for tax-defaulted Nonresidential Commercial Property in accordance with California Revenue and Taxation Code Section 3691(B).

EXECUTIVE SUMMARY

The Treasurer-Tax Collector requests the County to elect by Resolution to have the five-year period to continue to be applied to Tax-defaulted Nonresidential Commercial Property.

The current tax-defaulted time period for all property is five (5) years and this new legislation will create a split-roll for commercial properties in redemption.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

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

Assembly Bill 2144, which became effective January 1, 2005, amends Section 3691 of the California Revenue and Taxation Code to require the sale of nonresidential Commercial Properties within three (3) years of tax-default instead of the existing five (5) years. This legislation, sponsored by the City of Los Angeles, is aimed at Non-Teeter Counties that do not provide payment of delinquent taxes to the various taxing entities. Assembly Bill 2144, however, allows a County to elect by Resolution to have the five-year time period to continue to be applied to tax-defaulted, nonresidential Commercial Property.

The County's property tax rolls currently do not identify residential and commercial properties. Applying the three-year time frame per this bill would require extensive enhancements and improvements to the current property tax computer system. These enhancements would be needed to enable the Assessor's Roll to provide a split-roll for commercial properties to the Tax Collector. The development and implementation of these enhancements would be General Fund costs.

This legislation additionally provides that all California Counties which have adopted the Teeter method of payments will have an individual option to elect to retain the existing five-year redemption period instead of abiding by the three-year period. Therefore, the Treasurer-Tax Collector requests and recommends the Board adopt a resolution declaring Napa County will continue to abide by the five (5) year redemption period for tax-defaulted, non-residential Commercial Properties.

SUPPORTING DOCUMENTS

A . Resolution for AB2144.doc

CEO Recommendation: Approve

Reviewed By: Lorenzo Ziálcita