

COUNTY OF SONOMA
AGENDA ITEM
SUMMARY REPORT

Clerk of the Board Use Only

Meeting Date: _____ Held Until: _____
 Agenda Item No: _____ Agenda Item No. _____

DEPARTMENT: Auditor-Controller-Treasurer-Tax Collector

4/5 VOTE REQUIRED

CONTACT: Erick Roeser
 PHONE: (707)565-3294
 BOARD DATE: April 14, 2009

DEADLINE FOR BOARD ACTION:

AGENDA SHORT TITLE:

2008-2009 Impound Property Taxes

REQUESTED BOARD ACTION:

Resolution of the Board of Supervisors, County of Sonoma, authorizing the Auditor-Controller-Treasurer-Tax Collector to impound \$2,445,476 for certain property taxes for the 2008-2009 fiscal year derived from the assessment of business appeals in accordance with Section 26906.1 of the Government Code, State of California.

CURRENT FISCAL YEAR FINANCIAL IMPACT

<u>Expenditures</u>	<u>Add'l Funds Requiring Board Approval</u>
Estimated Cost \$ _____	Contingencies \$ _____ Fund Name: _____
Amount Budgeted \$ _____	Unanticipated Revenue \$ _____ Source: _____
Other Available Approp . . \$ _____ <i>(explain below)</i>	Other Transfer(s) \$ _____ Source: _____
Additional Requested \$ _____	Add'l Funds Requested \$ _____
Explanation <i>(if required)</i> : _____	

PRIOR BOARD ACTION(S):

FY 03-04 3-23-04 Resolution #04-0238 3,408,421 Impounded
 FY 04-05 3-22-05 Resolution #05-0228 3,429,815 Impounded
 FY 05-06 4-04-06 Resolution #06-0291 1,544,699 Impounded
 FY 06-07 4-10-07 Resolution #07-0251 1,907,979 Impounded
 FY 07-08 4-08-08 Resolution #08-0316 1,860,835 Impounded

ALTERNATIVES - RESULTS OF NON-APPROVAL:

Fiscal Year 2008-2009 tax collections would be distributed in their entirety. Taxing entities may experience some financial difficulties should an assessment appeal decision be in favor of the taxpayer.

BACKGROUND:

In accordance with California Government Code Section 26906.1, the county auditor, with the approval of the board of supervisors, may impound the disputed revenues of any tax upon secured or unsecured property, levied and collected by the county for the county or any revenue district, whenever a claim or action is filed for the return of the revenues, or the auditor reasonably anticipates that the tax may be refunded in whole or in part. The county auditor shall continue to impound such revenues until the final disposition of the claim or action, or a refund of the tax is no longer anticipated.

Geothermal Assessment Appeals: Since the early 1980's, the County has impounded property taxes related to geothermal assessment appeals. In December 2006, the Calpine assessment appeal was settled and, after analyzing the Geothermal Impound Trust and reviewing outstanding appeals with the Assessor, we recommend impounding \$10,107 for geothermal assessment appeals in the current fiscal year. In 2007-08, the recommended impound amount was \$0.

Business Assessment Appeals: After reviewing the appeals with the Assessor and taking into consideration the settlements of business assessment appeals, we recommend an impound amount of \$2,435,368. This amount would be impounded on an individualized basis and represents approximately 50% of the difference between the taxpayers' appeal value and the Assessor's appraised value.

Conclusion: After careful consideration of current information and input from the Assessor, and the reasoning for the impound having been previously discussed with County Counsel, we recommend impounding \$10,107 for geothermal and \$2,435,368 for business assessment appeals. By this resolution we request the Board to approve the total recommended impound of \$2,445,476.

Requested Action

Approve the Resolution authorizing the Auditor-Controller-Treasurer-Tax Collector to impound \$2,445,476 for certain property taxes for the 2008-2009 fiscal year derived from the assessment of business appeals in accordance with Section 26906.1 of the Government Code, State of California.

ATTACHMENTS: 1) Resolution
2) Attachment A – 2008/09 Tax Impound

ON FILE WITH CLERK: History of Board Action on Property Tax Impounds.

CLERK OF THE BOARD USE ONLY

BOARD ACTION (If other than "Requested")

VOTE:

