

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY
AND RECORD OF ACTION**

May 9, 2023

FROM

ENSEN MASON, Auditor-Controller/Treasurer/Tax Collector

SUBJECT

Transfer of Unclaimed Assessment Reduction Property Tax Refunds to the County General Fund

RECOMMENDATION(S)

Authorize the Auditor-Controller/Treasurer/Tax Collector to transfer to the County General Fund unclaimed assessment reduction property tax refunds in an amount not to exceed \$445,625 for refunds issued prior to July 1, 2018.

(Presenter: John Johnson, Assistant Auditor-Controller/Treasurer/Tax Collector, 382-7004)

COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Operate in a Fiscally-Responsible and Business-Like Manner.

FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). Revenue in an amount not to exceed \$445,625 has been included as Sources in the Auditor-Controller/Treasurer/Tax Collector's (ATC) 2022-23 budget.

Refund Fiscal Year	Number of Unclaimed Refunds	Unclaimed Refund Amount
2014-15	4	\$ 893
2015-16	2	147
2016-17	41	18,192
2017-18	5,036	426,393
Total	5,083	\$ 445,625

On February 8, 2022 (Item No. 20), the San Bernardino County Board of Supervisors (Board) authorized ATC to transfer \$487,025 to the County General Fund for unclaimed assessment reduction property tax refunds prior to July 1, 2017. The current amounts for 2014-15, 2015-16, and 2016-17 represent warrants that stale dated after Item No. 20 was approved. When there are active warrants, the refunds reflect as claimed. Once they stale date, they revert to unclaimed status. The amounts for 2017-18 include 5,036 refunds, of which 3,321 in the amount of \$12,244 were under \$10; refunds under \$10 are not processed. The count of refunds \$10 or greater is 1,762 for all four years listed above, for a total of \$433,381, and an average refund of \$245.96.

**Transfer of Unclaimed Assessment Reduction Property Tax Refunds to
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May 9, 2023**

BACKGROUND INFORMATION

Property tax refunds result most frequently from adjustments made to property valuations after taxes are paid. California Revenue and Taxation Code (RTC) § 5097 requires a taxpayer file a claim for property tax refund within four years of the payment. RTC § 5097.2 permits the county tax collector or the county auditor to refund property tax payments within four years of the payment in certain limited circumstances, including overpayment due to roll corrections or cancellations. If a property tax payment may be refunded and no claim is filed within the time allowed, RTC § 5102 provides that the refund may be transferred to the county general fund on order of the board of supervisors.

For regular tax roll refunds, ATC notifies the owners of record for the specific year of their entitlement by mail. For regular tax roll refunds that are greater than or equal to \$5,000, ATC conducts additional research to identify the individuals who actually paid the property tax prior to mailing the claim form. Supplemental tax roll refund amounts of \$10 or greater require no claim form, and the owner of record at the event date are mailed warrants upon verification that the secured bill was paid in full.

In all events for tax roll refunds of \$10 or greater, for all unclaimed refunds included in this action, ATC has taken the following steps, where applicable, to reunite taxpayers with their corresponding refunds.

1. Attempted a minimum of two mailings.
2. Processed returned mail by validating mailing addresses on the United States Postal Service website; attempted to identify a forwarding address that has expired; and looked for address changes in the Assessor-Recorder-Clerk's Property Information Management System (PIMS) and Tyler Eagle Recorder system, as well as the Tax Collector's imaging software (ItemAge).
3. Determined whether the taxpayer owns multiple parcels and crosschecked mailing addresses on all parcels and/or payments received on other parcels.
4. Performed a search of the California Secretary of State website for refunds that pertain to a corporation or Limited Liability Corporation (LLC) in order to verify the mailing address prior to mailing a second or third notice.
5. Made phone calls to the taxpayer, if a phone number was available, to follow up on claim forms that had not been returned for processing.
6. Sent follow-up emails to taxpayer, if an email address was available.
7. Canceled warrant if it was about to stale date so the refund would appear on the unclaimed refunds list and website.
8. Assisted various contingency-based private asset recovery agents that continuously request and work the unclaimed refund and stale-dated check listing.
9. Made unclaimed refunds public on ATC's website and searchable by parcel number and address.

As a final effort to reach taxpayers who are due refunds, a public notice was published in local newspapers, including The Sun, Daily Press, and La Prensa, for two consecutive weeks. Banner ads, in English and Spanish, were purchased and posted on the newspapers' websites and posted on ATC's social media accounts.

Attempts to reunite taxpayers with the applicable refunds outlined in this item have been exhausted and unsuccessful within the allotted four-year period. Therefore, ATC presents the

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May 9, 2023**

unclaimed assessment reduction property tax refunds to the Board for consideration to approve a transfer to the County General Fund, as permitted by RTC § 5102.

On February 8, 2022 (Item No. 20), the Board authorized ATC to transfer \$487,025 to the County General Fund for unclaimed assessment reduction property tax refunds prior to July 1, 2017. The item now before the Board will result in the transfer of allowed unclaimed assessment reduction property tax refunds prior to July 1, 2018, to the County General Fund. ATC will continue to process any claims received prior to Board approval, which may decrease the amount available to be transferred to the County General Fund.

PROCUREMENT

N/A

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Tawny Lieu, Deputy County Counsel, 387-5455) on February 1, 2023; Finance (Penelope Chang, Administrative Analyst, 387-4886) on February 1, 2023; and County Finance and Administration (Paloma Hernandez-Barker, Deputy Executive Officer, 387-5423) on February 10, 2023.

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Record of Action of the Board of Supervisors
San Bernardino County

Public Comment: None

DEFERRED/DENIED
THE MOTION FAILED DUE TO LACK OF SECOND
Motion/Second: Jesse Armendarez

DEFERRED/APPROVED
Moved: Curt Hagman Seconded: Joe Baca, Jr.
Ayes: Col. Paul Cook (Ret.), Dawn Rowe, Curt Hagman, Joe Baca, Jr.
Nays: Jesse Armendarez

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: May 9, 2023



cc: File - Auditor-Controller/Treasurer/Tax Collector
JLL 05/15/2023