

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

October 27, 2020

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 \$1,243,979 for refunds issued prior to July 1, 2016.

(Presenter: Douglas R. Boyd, 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 result in additional discretionary revenue in an amount not to exceed \$1,243,979. The details of the necessary budget adjustments will be included in the 2020-21 Second Quarter Budget Report, and will increase revenue and contingencies by \$743,979 in the Financial Administration budget (116 1000). The remaining \$500,000 has been included as sources in the 2020-21 Auditor-Controller/Treasurer/Tax Collector (ATC) budget (3404001000).

Refund Year*	Number of Unclaimed Refunds	Unclaimed Refund Amount
2013 & Prior	148	\$ 31,113
2014	580	201,694
2015	6,181	539,711
2016	5,412	471,461
Total	12,321	\$ 1,243,979

*The statistics are reported by calendar year (January 1 through December 31). The amounts reported for 2014 contain unclaimed refunds extended on or after August 25, 2014. The amounts for 2013 and prior represent warrants that stale dated after the Board of Supervisors (Board) approved Item No. 15 on December 18, 2018, authorizing the transfer to the General Fund for unclaimed assessment reduction property tax refunds issued prior to August 25, 2014.

BACKGROUND INFORMATION

**Transfer of Unclaimed Assessment Reduction Property Tax Refunds to
the County General Fund
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Property tax refunds result most frequently from adjustments made to property valuations after taxes are paid. California Revenue and Taxation Code (RTC) §5097 requires that 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.

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 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 PIMS (Assessor System), ItemAge (Tax Collector Imaging software), and the Recorder's system.
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 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.
6. Canceled warrant if it was about to stale date so the refund would appear on the unclaimed refunds list and website.
7. Assisted various contingency-based private asset recovery agents that continuously request and work the unclaimed refund and stale-dated check listing.
8. 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 unclaimed assessment reduction property tax refunds to the Board for their consideration to approve a transfer to the County General Fund, as permitted by RTC §5102.

On December 18, 2018 (Item No. 15), the Board authorized ATC to transfer \$9,185,361 to the County General Fund for unclaimed assessment reduction property tax refunds prior to August 25, 2014. The item now before the Board will result in the transfer of allowed unclaimed assessment reduction property tax refunds prior to July 1, 2016, to the County General Fund.

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The average value of the unclaimed refunds is approximately \$206.83, excluding unclaimed refunds under \$10, and the total amount to be transferred will not exceed \$1,243,979. This information is based on data available as of July 1, 2020. 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 (Robert F. Messinger, Principal Assistant County Counsel, 387-5455) on September 30, 2020; Finance (Carl Lofton, Administrative Analyst, 387-5404) on October 9, 2020; and County Finance and Administration (Robert Saldana, Deputy Executive Officer, 387-5423) on October 9, 2020.

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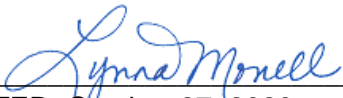
Record of Action of the Board of Supervisors
County of San Bernardino

APPROVED (CONSENT CALENDAR)

Moved: Robert A. Lovingood Seconded: Josie Gonzales

Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY 
DATED: October 27, 2020



cc: File - Auditor-Controller/Treasurer/Tax Collector
CCM 11/3/2020