



Contra Costa County

To: Board of Supervisors
From: Gus Kramer, Assessor
Date: January 19, 2016

Subject: Disabled Veterans Property Tax Exemption Refund

RECOMMENDATION(S):

ADOPT Resolution 2016/39 delegating to the Assessor, or designee, the authority to approve claims for refund related to the property tax exemption for the home of a disabled veteran or an unmarried spouse of a deceased disabled veteran; DIRECT Auditor to pay refunds approved by the Assessor in accordance with Revenue and Taxation Code sections 5101 and 5151.

FISCAL IMPACT:

Adoption of the resolution will have minimal fiscal impact. The resolution merely expedites and simplifies the process for disabled veterans and unmarried spouses of deceased disabled veterans to apply for refunds of property taxes based on the disabled veteran exemption. The County's portion of the refund and any applicable interest will be paid from the County's General Fund.

BACKGROUND:

Article XIII of the California Constitution, section 4(a) and Revenue and Taxation Code section 205.5 provide an exemption from *ad valorem* taxation for the home of a disabled veteran or an unmarried spouse of a deceased disabled veteran. For 2015, there is a basic

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/19/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I
Supervisor
Candace Andersen, District II
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: Mary N. Piepho, District III
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 19, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stephanie L. Mello, Deputy

Contact: Louis Rivara, 925
313-7504

exemption of approximately \$125,000 or a low-income exemption of approximately \$190,000 available to a disabled veteran who, because of an injury incurred in military service is blind in both eyes, has lost the use of two or more limbs, or is totally disabled. An unmarried surviving spouse may also be eligible if the service person died as the result of a service-connected injury or a disease incurred while on active duty in the military.

BACKGROUND: (CONT'D)

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To receive the disabled veterans' exemption, the veteran or surviving spouse must file a claim for exemption with the Assessor's Office. The Assessor's Office is charged with approving or denying the claim. When a disabled veterans' claim for exemption is retroactively granted and applied, paid property taxes may be cancelled and refunded. Retroactive application of the exemption occurs 1) when property becomes eligible after the lien date or 2) upon a veteran's disability rating or death. Generally, the Assessor may retroactively apply the exemption within four years after the assessment date, resulting in a property tax refund. (Rev. & Tax. Code, § 4831).

As of January 1, 2015, the law changed to allow a refund of property taxes based on the disabled veterans' exemption up to eight years after the date those taxes were paid. However, statute does not authorize the Assessor to make the corrections beyond four years from the assessment date. For this reason, those who seek the exemption for a year that is more than four years after the applicable assessment date must file a claim for refund to be eligible for a property tax refund.

Under state statute, the Board of Supervisors has the authority to approve or deny claims for refund. Revenue and Taxation Code section 4804 permits the Board to delegate this authority to the Assessor. Delegation to the Assessor of the authority to approve claims for refund in this circumstance would streamline the refund process by allowing the Assessor to determine eligibility for the disabled veterans' exemption and promptly grant the claim for property tax refund for those who qualify. Any claims of refund that are not approved by the Assessor would be decided by the Board because this delegation does not permit the Assessor to deny claims for refund. This board order and accompanying resolution supersedes any previous delegation of this authority for claims for refund from disabled veterans who are seeking a refund of taxes under Revenue and Taxation Code section 205.5.

CONSEQUENCE OF NEGATIVE ACTION:

If the Board does not approve the requested delegation of authority, the refund process for eligible disabled veterans and the surviving spouses of disabled veterans is likely to be delayed.

ATTACHMENTS

Resolution No. 2016/39