



Contra
Costa
County

To: Board of Supervisors
From: David Twa, County Administrator
Date: January 9, 2018

Subject: Claim for Property Tax Refund

RECOMMENDATION(S):

1. DENY claims for property tax refunds filed by Jim Purcell for tax years 2007-08 to 2012-13;
2. GRANT claim for property tax refund filed by Jim Purcell for 2013-14; and
3. AUTHORIZE and DIRECT the Auditor-Controller to refund monies paid for property taxes for the 2013-14 in the approximate amount of \$8,957, inclusive of interest at the statutory rate and a \$250 penalty for the late filing of the exemption claim.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/09/2018** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V 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 9, 2018

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

By: Stephanie Mello, Deputy

Contact: Beth Grose, (925)
313-7463

FISCAL IMPACT:

The cost of ad valorem property tax refunds is shared among the County's jurisdictions pursuant to a statutory formula. The County's portion of the refund in the amount of approximately \$1,030 will be paid from the County General Fund.

BACKGROUND:

From approximately July 2007 through March 2015, Jim Purcell leased a property that he owns, located at 161 Sand Creek Road in Brentwood, APN 016-110-036 (the "Property"), to a church, the Family Worship Center. The California Constitution provides that real and personal property used exclusively for religious worship may be eligible for an exemption from ad valorem property taxation (the "church exemption"). [Cal. Const., art. XIII, sec. 3(f); see also Rev. & Tax. Code, § 206.]

On July 27, 2017, Jim Purcell contacted the Assessor's Office concerning whether the Property might be eligible for the church exemption for the period he leased the Property to the Family Worship Center. Following the call, the Family Worship Center filed a claim for exemption and supplied information requested by the Assessor's Office. Based on the claim and the information provided, the Assessor's Office agreed to apply the church exemption to the Property for tax year 2014-15. However, the Assessor's Office was unable to apply the exemption for tax years prior to 2014-15 because the law does not permit the Assessor's Office to make non-valuation related corrections more than four years after the date of the assessment being corrected. [Rev. & Tax. Code, § 4831, subd. (a).]

After learning that the Assessor's Office was unable to provide a refund for tax years prior to 2014-15, Mr. Purcell filed claims for refund with the Board on August 7, 2017. These claims cover the period from July 2007 through 2013. The statute of limitation prevents the Board from granting the claim for refund for tax years 2007-08 through 2012-13. [Rev. & Tax. Code, § 5097.] For this reason, it is recommended that the Board deny the claims for this period.

However, Mr. Purcell timely submitted his claim for refund to the Board for tax year 2013-14. Because Mr. Purcell timely submitted his claim for refund for tax year 2013-14 and has established that the Property was eligible for the church exemption for that year, Mr. Purcell is eligible for a tax refund of the property taxes that he paid for tax year 2013-14. [Rev. & Tax. Code, § 5096(c).] His eligibility is based on the fact that the church leased the property on the January 1, 2013 lien date and the church filed a claim of exemption with the Assessor's Office and supplied other information supporting the church exemption. [Cal. Const., art. XIII, sec. 3(f); Rev. & Tax. Code, § 206.] For these reasons, the Board of Supervisors may order a property tax refund for tax year 2013-14. [Rev. & Tax. Code, § 5097(a)(2).]

Property tax refunds ordered by the Board are paid by the Auditor-Controller. [Rev. & Tax. Code, § 5101.] The refunded amount will accrue interest until paid. [Rev. & Tax. Code, § 5151.] Additionally, a \$250 penalty applies because the claim of exemption was not timely

submitted to the Assessor's Office. [Rev. & Tax. Code, § 270.]

CONSEQUENCE OF NEGATIVE ACTION:

Failure to take the recommended action may prevent Mr. Purcell from realizing savings due to the property-tax exempt use of the Property during 2013 and might increase the County's exposure to litigation.