



**Contra  
Costa  
County**

To: Board of Supervisors  
From: Thomas L. Geiger, Chief Assistant County Counsel  
Date: February 7, 2023

Subject: Deny claims filed for unitary property taxes paid for tax year 2019/20

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**RECOMMENDATION(S):**

DENY the claims filed by T-Mobile West LLC, CenturyLink Communications LLC, AT&T Corp., AT&T Mobility, Sprint Communications Company LP, and Sprint Spectrum LP in the total amount of \$1,261,117.75, plus interest, in unitary property taxes paid for tax year 2019/20.

**FISCAL IMPACT:**

No fiscal impact.

**BACKGROUND:**

T-Mobile West LLC, CenturyLink Communications LLC, AT&T Corp., AT&T Mobility, Sprint Communications Company LP, and Sprint Spectrum LP ("Claimants") have filed claims for refund of property taxes against the County and a number of other counties, essentially alleging that the statutory formula used to calculate their property tax rate violates the California Constitution.

In December 2022, T-Mobile West LLC submitted a claim to the County in the amount of \$244,654.53. In January 2023, CenturyLink Communications LLC submitted a claim in the

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY  
ADMINISTRATOR

☐ RECOMMENDATION OF BOARD  
COMMITTEE

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Action of Board On: **02/07/2023** ☒ 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  
Ken Carlson, 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: February 7, 2023

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Rebecca Hooley, Assistant County Counsel, (925) 655-2200

By: Stacey M. Boyd, Deputy

amount of \$33,656.00; AT&T Corp submitted a claim in the amount of \$45,544.00; AT&T Mobility LLC submitted a claim in the amount of \$737,569.00; Sprint Communications LP submitted a claim in the amount of \$10,751.46; and Sprint Spectrum LP submitted a claim in the amount of \$188,942.76. [The claims are provided in Attachments A-F.] The claims, in the collective amount of \$1,261,117.75, are for property taxes paid for tax year 2019/2020. Claimants request interest on the requested refund amounts.

The County has received refund claims for prior years based on the same allegation, which the County has denied. Other counties that have received similar refund claims appear to have uniformly denied the claims. Santa Clara County recently prevailed before the Court of Appeal on the basis that the statutory tax rate imposed on property owned by these entities do not violate the California Constitution.

## BACKGROUND: (CONT'D)

### **ANALYSIS:**

Under the California Constitution, certain property owned or used by utilities and telecommunication companies, among others, is annually assessed by the State Board of Equalization ("BOE"). (Cal. Const., article XIII, § 19.) The amount of such "unitary property" assessments attributed to the County by the BOE are then taxed by the County in accordance with a statutory formula. (See Rev. & Tax. Code, § 100.)

The Auditor-Controller uses the amount of unitary property assessments annually provided by the BOE to calculate the amount of taxes to be levied on these properties in accordance with a formula mandated by state law (Rev. & Tax. Code, § 100). Based on this formula, the unitary tax rate for 2019/20 was 1.6865%. The Auditor-Controller has confirmed that the rate was correctly calculated pursuant to the State law, and the Office of the State Controller has deemed it correct.

Claimants argue that they are entitled to a partial refund of taxes on the grounds that they were illegally levied because the formula used to calculate the rate is unconstitutional. However, the County is given no discretion on its calculation of the unitary tax rate; it is a mandated formula set by the State. A recent decision from the California Court of Appeals has affirmed the constitutionality of the rate. (*County of Santa Clara v. Sup. Ct.* (Jan. 6, 2023, No. H049161) \_\_\_ Cal.App.5th \_\_\_.) For these reasons, the claims should be denied.

### CONSEQUENCE OF NEGATIVE ACTION:

Failure to take the recommended action would result in interest continuing to accrue on a potential court-ordered refund of property taxes.

### ATTACHMENTS

Attachment A - Claim of T-Mobile West LLC

Attachment B - Claim of CenturyLink Communications LLC

Attachment C - Claim of AT&T Corp.

Attachment D - Claim of AT&T Mobility LLC

Attachment E - Claim of Sprint Communications Company LP

Attachment F - Claim of Sprint Spectrum LP