



COUNTY OF HUMBOLDT

AGENDA ITEM NO.
C-1

For the meeting of: June 28, 2016

Date: June 2, 2016
To: Board of Supervisors
From: Mari A. Wilson, Assessor
Subject: Disabled Veteran's Property Tax Exemption Resolution

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the accompanying resolution authorizing the Assessor and the Auditor to process roll corrections for valid Disabled Veteran's Exemption in excess of four years pursuant to Revenue and Taxation Code section 5097(a)(4).
2. Direct the Clerk of the Board to transmit certified signed copies of the accompanying resolution to the Assessor and the Auditor-Controller.

SOURCE OF FUNDING:

General Fund.

DISCUSSION:

The California Constitution and the Revenue and Taxation Code provide for a property tax exemption for veterans, or their unmarried surviving spouse, who were totally disabled by a service-connected injury or disease. The United States Department of Veterans Affairs must have rated the disability at 100% or unemployable due to their partial disability to qualify for the exemption.

Prepared by Mari A. Wilson CAO Approval Cheyl Dillingham

REVIEW: Auditor MSM County Counsel JS Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:
 Consent
 Departmental
 Public Hearing
 Other _____

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Sundberg Seconded by Supervisor Bass
Ayes Sundberg, Fennell, Lovelace, Bohn, Bass
Nays _____
Abstain _____
Absent _____

PREVIOUS ACTION/REFERRAL:
Board Order No. _____
Meeting of: _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.
Dated: June 28, 2016
By: [Signature]

Effective January 1, 2015, Senate Bill 1113 amended Revenue and Taxation Code section 5097 to extend the statute of limitations period from four years to eight years on property tax refunds related to the Disabled Veteran's Exemption. The statute was extended because, in many cases, the United States Department of Veterans Affairs does not make a decision regarding a 100% disability rating in a timely manner or a veteran may not have been aware of the property tax exemption. Because claims for refunds generally have a four-year statute of limitations, many veterans did not receive all of the benefits that they may have qualified for as of their effective date of disability.

Generally, when a retroactive exemption is granted, the Assessor makes a roll correction to the prior tax rolls and transmits the information to the Auditor-Controller for processing. This process results in an automatic refund of taxes paid, and claimant need not file a separate claim for refund with the Board of Supervisors. However, Revenue and Taxation Code section 4831 pertaining to roll corrections allows an Assessor to correct the tax roll only if the correction is made within four years after making the assessment; therefore the additional years covered by a tax refund application beyond four years would need to be approved by the Board of Supervisors. The process would require the veteran to request the refunds at a public hearing.

In enacting the legislation, the legislatures were trying to fulfill valid purpose of relieving economic hardship on veterans. Amending Revenue and Taxation Code 5097(a)(4) was a move to accomplish that purpose, but the amendment did not include a procedure for counties to handle this new category of claims efficiently. Assessors statewide are discussing this apparent oversight and how best to address it by way of Board resolution.

The Assessor and Auditor-Controller are jointly requesting the Board of Supervisors to authorize them to process qualifying claims for refund under Revenue and Taxation Code section 5097(a)(4) through the issuance of a roll correction.

FINANCIAL IMPACT:

All costs associated with this process will be paid by the General Fund. That is because all departments involved are funded by the General Fund. Legislature found that the bill constituted a state mandate and provided the reimbursement for those costs shall be made pursuant to those statutory provisions. Setting the claim for public hearing prior to processing a refund would be more expensive than adopting the recommended process here. This resolution supports the Board's Strategic Framework by providing community-appropriate levels of service.

OTHER AGENCY INVOLVEMENT:

None.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board could opt to require disabled veterans to file all Claims for Refund with the Board of Supervisors. That is not recommended because it would add unnecessary work for the Assessor's Office, the Clerk of the Board, and The Board of Supervisors.

ATTACHMENTS:

Proposed Resolution No. 110-75

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of June 28, 2016

RESOLUTION NO. 16-75

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF HUMBOLDT,
STATE OF CALIFORNIA, AUTHORIZING THE ASSESSOR AND AUDITOR-
CONTROLLER TO PROCESS ROLL CORRECTIONS FOR VALID DISABLED
VETERANS' EXEMPTIONS IN EXCESS OF FOUR YEARS, PURSUANT TO REVENUE
AND TAXATION CODE
SECTION 5097(a)(4)**

WHEREAS, Disabled Veterans' Exemptions are granted retroactively due to the processing time for disability ratings by the Department of Veterans Affairs; and

WHEREAS, effective January 1, 2015, Senate Bill 1113 amended Revenue and Taxation Code section 5097 to extend the statute of limitations period from four years to eight years on Claims for Refunds for the Disabled Veterans' Exemption filed on or after January 1, 2015; and

WHEREAS, unless this Resolution is adopted, all disabled veterans who qualify for relief under the extended statute of limitations would have to appear before the Board of Supervisors for a public hearing on their Claim for Refund, even though the Board would have no discretion to deny the claim under State law; and

WHEREAS, the requirement to process a Claim for Refund through the Board of Supervisors creates an onerous process that compounds the hardship already experienced by disabled veterans and would serve no purpose, given the ministerial nature of the eligibility requirements; and

WHEREAS, a more efficient way to handle the expanded property tax relief for Disabled Veterans' Exemptions is to allow the Assessor and Auditor-Controller to process a section 5097(a)(4) Claim for Refund using the roll correction process.

NOW, THEREFORE, BE IT RESOLVED by the Humboldt County Board of Supervisors that the Assessor and Auditor-Controller are authorized to process valid Claims for Refunds for Disabled Veterans' Exemptions by processing roll corrections for the allowable years only per section 5097(a)(4) of the Revenue and Taxation Code; and

BE IT FURTHER RESOLVED that this Resolution shall be effective beginning as soon as it is adopted and shall continue for succeeding fiscal years until this Resolution is revised or rescinded.

Dated: June 28, 2016



MARK LOVELACE, Chair
Humboldt County Board of Supervisors

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT, STATE OF CALIFORNIA

Certified copy of portion of proceedings, Meeting of June 28, 2016

RESOLUTION NO. 16-75

Adopted on motion by Supervisor Sundberg, seconded by Supervisor Bass, and the following vote:

AYES:	Supervisors	Sundberg, Fennell, Lovelace, Bohn, Bass
NAYS:	Supervisors	--
ABSENT:	Supervisors	--
ABSTAIN:	Supervisors	--

STATE OF CALIFORNIA)
County of Humboldt)

I, KATHY HAYES, Clerk of the Board of Supervisors, County of Humboldt, State of California, do hereby certify the foregoing to be an original made in the above-entitled matter by said Board of Supervisors at a meeting held in Eureka, California.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of said Board of Supervisors.



By ANA HARTWELL
Deputy Clerk of the Board of Supervisors of the
County of Humboldt, State of California