

LEGISLATIVE DIGEST

[Assessment Appeals Board: Increasing administrative processing fees, adding certain waivers; and changing to an hourly rate for findings of fact fees.]

Ordinance amending Administrative Code Chapter 2B "Assessment Appeals Boards," by amending Section 2B.9 to increase the administrative processing fee per application from \$30 to ~~\$45~~ ~~\$90~~ \$60, by adding a fee waiver for any property assessed on the roll at a value of \$7,500 or less, and by adding a fee waiver for any property where there is a difference of \$7,500 or less between the taxpayer's opinion of value on the application and the subject property's assessed value on the roll; by amending Section 2B.11 to change the findings of fact fees from a sliding scale of \$100 to \$1,000, to an hourly rate of \$215 with a maximum of 30 hours billed; and a technical change.

Existing Law

The City's Assessment Appeals Boards hear property taxpayer appeals from the Assessor's determinations of assessed value, where taxpayers seek a reduction in the assessed value of the property on the property tax rolls. A three-person panel of Assessment Appeals Board (AAB) members sit to hear and decide each case. As provided by the California Constitution, each Assessment Appeals Board must equalize the valuation of the taxable property within the City and County of San Francisco consistent with state constitutional and statutory requirements. (Administrative Code Chapter 2B "Assessment Appeals Boards; see California Constitution Article XIII, Section 16.)

Current Administrative Code Section 2B.9 requires that a \$30.00 administrative processing fee accompany the property taxpayer's application for reduced assessment. Chapter 2B also provides that this fee is waived in certain situations: where the applicant is impoverished and would qualify for a waiver of court fees if in court under the California Government Code; and in certain situations where the application relates to a prior application previously granted by the Board.

An applicant may request that the Board provide written findings of fact in conjunction with the Board's decision. Current Administrative Code Section 2B.11 requires payment of a fee for preparation of the findings, on a sliding scale that ranges from \$100 for property valued on the current assessment roll at up to \$1,000,000, to a fee of \$1,000 for property valued at more than \$20,000,000.

Amendments to Current Law

The amendment to Administrative Code section 2B.9 as amended by the Budget and Finance Committee on June 23, 2010 and sent forward, would substitute a \$60.00 administrative processing fee for the current \$30.00 fee for each application for reduced assessment.¹ This fee change would apply to all applications filed on or after July 1, 2010. The proposed ordinance would also add provisions to waive the fee for property assessed at a value of \$7,500 or less, and waive the fee where there is a difference of \$7,500 or less between the taxpayer's opinion of value on the application and the subject property's assessed value on the roll. (Administrative Code §2B.9.)

Further, as a technical change to Section 2B.9, the current reference to Government Code section 68511.3 for waiver of the fee for impoverished (in forma pauperis) applicants who would qualify for a fee waiver if in court, is changed to "Section 68632" to reflect state law amendments effective July 1, 2009 (Stats. 2008, Ch. 462, A.B. 2448).

The amendment to Section 2B.11 would substitute an hourly fee in place of the current sliding scale fees for preparation of findings of fact in conjunction with a Board decision, to be \$215 per hour up to a maximum of 30 hours. This fee change would apply to all applications filed on or after July 1, 2010.

Background Information

In 1994 both the \$30.00 administrative processing fee and the sliding scale findings fee of \$100 - \$1,000 were first enacted, and neither fee has been increased since.

¹ Historical note:

The original proposed ordinance would have increased the current \$30.00 administrative processing fee to \$45.00 for each application for reduced assessment; on June 2, 2010 the Budget and Finance Committee changed the proposed fee to \$90.00; on June 23, 2010, following further reports and hearing, the Budget and Finance Committee changed the proposed administrative processing fee to \$60.00 per application.