

File No. 160551 Committee Item No. 1
 Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight Date July 21, 2016

Board of Supervisors Meeting Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input type="checkbox"/> | <input type="checkbox"/> | Budget and Legislative Analyst Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Subcontract Budget |
| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

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| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Referral FYI - 05/24/2016 |
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Completed by: Erica Major Date July 15, 2016
 Completed by: _____ Date _____

1 [Reward for Information About Underpayment of Property Tax - Charles Scoble - \$1,848.17]

2
3 **Ordinance approving Assessor's recommended reward of \$1,848.17 to Charles Scoble**
4 **for information that led to detection of underpayment of property tax from an**
5 **unreported change in ownership.**

6 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
7 **Additions to Codes** are in *single-underline italics Times New Roman font*.
8 **Deletions to Codes** are in ~~*italics Times New Roman font*~~.
9 **Board amendment additions** are in double-underlined Arial font.
10 **Board amendment deletions** are in ~~Arial font~~.
11 **Asterisks (* * * *)** indicate the omission of unchanged Code
12 subsections or parts of tables.

13 Be it ordained by the People of the City and County of San Francisco:

14 Section 1. Findings.

15 (a) The Assessor may in her discretion recommend that the Board authorize a
16 reward for information that leads to the detection of property taxes that were underpaid due to
17 a change of ownership that was not reported as required by law.

18 (b) On November 20, 2012, the Assessor was notified by Mr. Charles Scoble that
19 the property located at 1445 10th Avenue, Assessor's Parcel No. 14-1843-007, had been
20 improperly excluded from reassessment because the transferor and the transferee did not
21 qualify for a parent-child exclusion under California Revenue and Taxation Code Section 63.1,
22 which excludes certain property transfers between parents and children from property tax
23 change in ownership.

24 (c) The information Mr. Scoble gave the Assessor enabled her staff to investigate
25 and discover that the documents filed with the Office of the Assessor-Recorder in November
2001 erroneously stated that the transfer occurring on November 7, 2001 was to "terminate a

1 co-signor” and was a transfer from parent to child. Upon further review, the transferor and
2 transferee were not eligible for any exclusion from reassessment.

3 (d) Following Mr. Scoble’s notification to the Assessor and the staff investigation of
4 the transfer, the Assessor reassessed the property as of November 7, 2001, and established
5 a new base year value of \$695,000. The Assessor issued a Supplemental Assessment for
6 2001, and Escape Assessments for the years 2002 - 2013. The transferee filed assessment
7 appeal applications (#2013-3131 through 2013-3143) to contest the reassessment and the
8 base year value. The Assessment Appeals Board ruled that a change in ownership occurred
9 on November 7, 2001 that did not qualify for the parent-child exclusion, and upheld the
10 escape assessments for years 2010, 2011, 2012, and 2013. The Assessment Appeals Board
11 also reduced the base year value from \$695,000 to \$625,000.

12 (e) The Assessor has concluded that Mr. Scoble did not participate in the erroneous
13 reporting of the transfers, and that he provided information regarding the transfer that the
14 Assessor did not know. The Assessor hereby certifies that the escaped tax assessments for
15 2010, 2011, 2012 and 2013 have been paid in full, and that Mr. Scoble’s information led to the
16 collection of these additional taxes.

17 (f) The Assessor recommends that the Board award Mr. Scoble \$1,848.17, which is
18 10% of the amount of collected taxes eligible for an award.

19 (g) The City has had a “real estate watchdog” program, previously codified at
20 Administrative Code Sections 10.177-2 and 10.177-3, by which the Assessor could
21 recommend to the Board of Supervisors that it provide a monetary reward to a person for
22 providing information leading to the detection of an underpayment of property tax. Pursuant
23 to subsection (e) of Section 10.177-2, that program sunsetted in April 2016 and thereby
24 expired by operation of law. Nevertheless, the Assessor retains the inherent power to
25 recommend to the Board that a person receive such a reward, and the Board has the inherent

1 power to accept the recommendation. In this case, the Assessor's recommendation, as
2 stated in subsection (e) of this ordinance, is consistent with all the criteria for and all the
3 limitations on such rewards as set forth in the sunsetted Code provisions. Further, as stated
4 in subsections (b) and (c) of this ordinance, Mr. Scoble provided the information to the
5 Assessor that is the basis for the Assessor's 2012 determination that an unreported change in
6 ownership had occurred, when Administrative Code Sections 10.177-2 and 10.177-3 were still
7 in effect.

8 (h) It serves a public purpose, and is in the public interest, to adopt the Assessor's
9 recommendation and award Mr. Scoble \$1,848.17.

10 Section 2. The Board hereby approves the Assessor's recommendation that the City
11 and County of San Francisco pay Mr. Charles Scoble a reward of \$1,848.17 for information
12 that led to the collection of property taxes from an unreported change of ownership. The
13 Controller shall pay Mr. Scoble a \$1,848.17 reward from the City's general fund.

14 Section 3. Source of Funds:

15 Fund 1G AGF AAA, Index Code 025006 - \$1,848.17.

16 Section 4. Effective Date. This ordinance shall become effective upon enactment.
17 Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance
18 unsigned or does not sign the ordinance within ten days of receiving it, or the Board of
19 Supervisors overrides the Mayor's veto of the ordinance.

21 APPROVED AS TO FORM:
22 DENNIS J. HERRERA, City Attorney

FUNDS AVAILABLE:
BEN ROSENFELD, Controller

23 By:

24 Moe Jamil
Deputy City Attorney

By:

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LEGISLATIVE DIGEST

[Reward for Information About Underpayment of Property Tax - Charles Scoble - \$1,848.17]

Ordinance approving Assessor's recommended reward of \$1,848.17 to Charles Scoble for information that led to detection of underpayment of property tax from an unreported change in ownership.

Background Information

The Assessor may in her discretion recommend that the Board authorize a reward for information that leads to the detection of property taxes that were underpaid due to a change of ownership that was not reported as required by law. On November 20, 2012, the Assessor was notified by Mr. Charles Scoble that the property located at 1445 10th Avenue, Assessor's Parcel No. 14-1843-007, had been improperly excluded from reassessment because the transferor and the transferee did not qualify for a parent-child exclusion under California Revenue and Taxation Code Section 63.1, which excludes certain property transfers between parents and children from property tax change in ownership.

The information Mr. Scoble gave the Assessor enabled her staff to investigate and discover that the documents filed with the Office of the Assessor-Recorder in November 2001 erroneously stated that the transfer occurring on November 7, 2001 was to "terminate a co-signor" and was a transfer from parent to child. Upon further review, the transferor and transferee were not eligible for any exclusion from reassessment. Following Mr. Scoble's notification to the Assessor and the staff investigation of the transfer, the Assessor reassessed the property as of November 7, 2001, and established a new base year value of \$695,000. The Assessor issued a Supplemental Assessment for 2001, and Escape Assessments for the years 2002 - 2013.

The Assessor hereby certifies that the escaped tax assessments for 2010, 2011, 2012 and 2013 have been paid in full, and that Mr. Scoble's information led to the collection of these additional taxes. The Assessor recommends that the Board award Mr. Scoble \$1,848.17, which is 10% of the amount of collected taxes eligible for an award.

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BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Carmen Chu, Assessor-Recorder, Office of the Assessor-Recorder

FROM: Erica Major, Assistant Clerk, Government Audit and Oversight Committee,
Board of Supervisors

DATE: May 24, 2016

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Government Audit and Oversight Committee has received the following proposed legislation, introduced by Supervisor Peskin on May 17, 2016:

File No. 160551

Ordinance approving Assessor's recommended reward of \$1,848.17 to Charles Scoble for information that led to detection of underpayment of property tax from an unreported change in ownership.

If you have any additional comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c:
Edward McCaffrey, Office of the Assessor-Recorder

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):


Supervisor Aaron Peskin

Subject:

[Reward for Information About Underpayment of Property Tax - Charles Scoble - \$1,848.17]

The text is listed below or attached:

Ordinance approving Assessor's recommended reward of \$1,848.17 to Charles Scoble for information that led to detection of underpayment of property tax from an unreported change in ownership.

Signature of Sponsoring Supervisor: 

For Clerk's Use Only: