

[Administrative Code - Rewards to Informants for Information Related to the Detection of Underpayment of Property Tax]

Ordinance amending the San Francisco Administrative Code by amending Chapter 10, Sections 10.177-2 and 10.177-3, authorizing the Assessor to recommend rewards for information related to the detection of underpayment of tax owed to the City and County of San Francisco.

NOTE: Additions are *single-underline italics Times New Roman*; deletions are ~~*strike-through italics Times New Roman*~~. Board amendment additions are double-underlined; Board amendment deletions are ~~strike through normal~~.

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

Section 1. The San Francisco Administrative Code is hereby amended by amending Sections 10.177-2 and 10.177-3 to read as follows:

SEC. 10.177-2. REWARD FOR INFORMATION CONCERNING UNDERPAYMENTS OF TAX.

(a) The Assessor of the City and County of San Francisco is hereby authorized to recommend a reward to be paid by the Board of Supervisors from the general fund for information leading to the detection of an underpayment of property tax ~~owing~~ to the City and County of San Francisco when the underpayment results from a change of ownership (as defined in Revenue and Taxation Code § 60 et seq.) that was not reported as required under Division 1, Part 2, Chapter 3, Article 2.5 of the Revenue and Taxation Code.

(b) For purposes of this section, the term "real estate watchdog" means a person providing information leading to the detection of an underpayment of property tax (when the underpayment results from a change of ownership as defined in Revenue and Taxation Code § 60 et seq.) owing to the City and County of San Francisco.

1 (c) In order for a real estate watchdog to qualify for a reward:

2 (1) the Assessor must certify that the unreported change of ownership will
3 result in a re-assessment leading to the actual collection of the tax or a lien or other device
4 that is reasonably likely to result in the collection of the tax;

5 (2) the watchdog must not have participated in concealing the unreported
6 transfer;

7 (3) the information furnished must be information unknown to the Assessor;
8 and

9 (4) the watchdog must file an application for reward along with supporting
10 documentation ~~in with the Office of the Controller~~ Assessor for the City and County of
11 San Francisco, who shall have the authority to prescribe the form of the application and to design and
12 administer the watchdog program.

13 (d) ~~The Controller shall forward all applications and supporting documentation received~~
14 ~~pursuant to this section to the Assessor for investigation and evaluation.~~ The Assessor shall make a
15 determination on every application filed and, if in his discretion a reward is warranted,
16 recommend an amount of reward to the Board of Supervisors. Rewards are entirely in the
17 City's discretion and there is in no circumstance the right to an award. The amount of the
18 recommended reward on an application:

19 (1) reposes in the discretion of the Assessor;

20 (2) is subject to approval by the Board of Supervisors;

21 (3) will be determined based on the usefulness of information furnished;

22 (4) may be up to ten percent of the increase in tax due from the date of the
23 unreported change in ownership to the date the information is provided that is or would be
24 collected because of the information provided;

1 (5) may not be more than ~~five hundred~~ one hundred thousand dollars
2 (~~\$500,000.00~~ \$100,000.00); and

3 (6) will be paid as soon as administratively feasible after approval by the
4 Board of Supervisors.

5 (e) The authority provided for in this ~~section~~ Section to recommend a reward to be
6 paid from the general fund for information leading to the detection of an underpayment of
7 property tax owing to the City and County of San Francisco when the underpayment results
8 from a change of ownership (as defined in Revenue and Taxation Code § 60 et seq.) that was
9 not reported as required under Division 1, Part 2, Chapter 3, Article 2.5 of the Revenue and
10 Taxation Code shall be available to and may be exercised by the Assessor for a period of five
11 years from the effective date of this Section.

12 (f) After review by the Controller, ~~The~~ Assessor shall submit an annual report to the
13 Board of Supervisors for each year for which the reward program authorized under this
14 Section is in existence that sets forth any identifiable increases in property tax assessments
15 resulting from information obtained due to this program.

16 (g) ~~—The Controller shall submit an annual report to the Board of Supervisors for each year~~
17 ~~for which the reward program authorized under this Section is in existence that sets forth any~~
18 ~~identifiable increases in property tax revenues resulting from information obtained due to this~~
19 ~~program.~~

20 (hg) Not later than six months prior to the expiration of the Assessor's authority as
21 provided in subsection (d) above, ~~the Controller and~~ the Assessor shall ~~confer and~~ recommend to
22 the Board of Supervisors whether the Assessor's authority to recommend rewards under this
23 ordinance should continue for an additional period.

1 **SEC. 10.177-3. PAYMENT.**

2 The Controller shall pay out of any appropriation created for the purpose any reward
3 authorized pursuant to Section 10.177-2 above, provided that an application for such reward
4 is filed ~~in~~ pursuant to the procedures established by the Controller's Assessor's office, the Assessor
5 has recommended an amount of reward be paid on the application, and the recommended
6 reward is approved by the Board of Supervisors.

7
8 Section 2. The Board of Supervisors authorizes the Assessor to recommend and the
9 Controller to pay a reward for information concerning underpayments of tax, as provided in
10 Administrative Code Sections 10.177-2 and 10.177-3, respectively, based on information
11 provided after February 16, 2011, the date when the Assessor's prior authorization expired,
12 and before the effective date of this ordinance.

13
14 Section 3. Unless the Board of Supervisors amends this ordinance to continue its
15 operation prior to the sunset of the Assessor's authority to recommend rewards, this
16 ordinance shall expire and the City Attorney shall cause it to be removed from the City's
17 codes.

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19 APPROVED AS TO FORM:
20 DENNIS J. HERRERA, City Attorney

21 By: _____
22 STEPHANIE PROFITT
23 Deputy City Attorney
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