

LEGISLATIVE DIGEST

[Administrative Code - Assessment Appeals Boards - Modify Board No. 3 Membership and Function; Procedural Revisions]

Ordinance amending the Administrative Code, regarding Assessment Appeals Boards, to modify the structure of Assessment Appeals Board No. 3 to provide that the members of Board No. 3 are different than the members of Board No. 1; that the function of Board No. 3 is the same as Board No. 2; provide for staggered terms of initial Board No. 3 members; remove provisions regarding Board members not meeting current State requirements; add a public comment timing option; and making nonsubstantive clarifying revisions.

Existing Law

Existing Administrative Code Chapter 2B "Assessment Appeals Boards" provides for Assessment Appeals Board No. 1, Assessment Appeals Board No. 2, and Assessment Appeals Board No. 3. The Members of Board No. 1 and Board No. 3 are the same group of people; the Members of Board No. 2 are a different group of people. Each Member is appointed for a three-year term, and the terms are staggered.

These Boards sit in three-person panels to hear and decide applications for reduction in assessed value (also known as property tax appeals), pursuant to state and local law. Board No. 1 and Board No. 3 primarily hear appeals regarding large commercial properties; Board No. 2 primarily hears appeals regarding residential and small commercial properties. Individual Assessment Appeals Board Members can also sit as Hearing Officers, to hear certain appeals from residential properties (four units or less).

Amendments to Current Law

The amendments would modify the membership structure of Board No. 3 so that its Members would be a different group of people than Board No. 1 (or Board No. 2); and initial appointments would be staggered. The amendments would also modify the function of Board No. 3 to be the same as Board No. 2, hearing appeals regarding residential and small commercial properties (instead of hearing the same type of appeals as Board No. 1).

The amendments would also remove provisions in Chapter 2B that are no longer needed, regarding Assessment Appeals Board Members who do not meet current state requirements for appointment, as there are no longer any such Members. (When state requirements for appointment were changed a few years ago, then-existing Assessment Appeals Board Members who did not meet those additional requirements were allowed to continue in place.)

Background Information

With the proposed modified structure for Board No. 3, the Assessment Appeals Board (AAB) will gain more flexibility in scheduling hearings for the several thousand applications filed each year: the AAB reports nearly 6000 property tax appeals filed just for fiscal year 2012-2013, and an ongoing backlog of applications waiting for hearing, most of which pertain to residential properties. With the new Board No. 3 Members, the AAB plans to offer evening hearings for specified residential properties (four units or less), to make the process more accessible and to lessen the wait time for such hearings, which will help accelerate the refund process for taxpayers due refunds.

Historical Note: Board No. 3 was originally created to have the same five regular Members and three alternate Members as Board No. 1 and the same function as Board No. 1 (primarily hearing appeals regarding large commercial properties), so that two separate three-person panels could simultaneously convene (in two separate rooms) to hear the types of appeals heard by Board No. 1. State law has since changed, making it clear that two distinct panels of Board No. 1 Members may simultaneously convene to hear appeals, so that the original structure of Board No. 3 is no longer needed.

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