

BOARD of SUPERVISORS



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## 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

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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. 160522**

**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

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 *strikethrough italics Times New Roman font*.  
9 **Board amendment additions** are in double-underlined Arial font.  
10 **Board amendment deletions** are in ~~strikethrough 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.

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

FUNDS AVAILABLE:  
BEN ROSENFELD, Controller

23 By: 

Moe Jamil  
Deputy City Attorney

23 By: 

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