



Napa County

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Legislation Details (With Text)

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Title: Auditor-Controller requests authorization to process an Assessor Division reduction in assessed value in excess of the \$10,000,000 limit set forth in Resolution No. 2013-137 pursuant to Revenue and Taxation Code Section 4831 et seq. for Assessor Parcel Number (APN) 800-056-154 tax year 2016 in the amount of \$12,618,080 for fixtures and personal property.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Roll Change Reduction

Date	Ver.	Action By	Action	Result
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TO: Board of Supervisors

FROM: Tracy Schulze - Auditor-Controller

REPORT BY: Christy Redford - Property Tax Specialist

SUBJECT: Authorization for the Auditor-Controller to process an Assessor Division assessment roll reduction in excess of \$10,000,000 limit permitted under Resolution No. 2013-137 (Revenue and Taxation Code Section 4831 et seq.)

RECOMMENDATION

Auditor-Controller requests authorization to process an Assessor Division reduction in assessed value in excess of the \$10,000,000 limit set forth in Resolution No. 2013-137 pursuant to Revenue and Taxation Code Section 4831 et seq. for Assessor Parcel Number (APN) 800-056-154 tax year 2016 in the amount of \$12,618,080 for fixtures and personal property.

EXECUTIVE SUMMARY

Resolution No. 2013-137 authorizes the Auditor-Controller to perform, on behalf of the Board of Supervisors, corrections to the local assessment roll as set forth in Section 4831 et seq. of Revenue and Taxation Code, including corrections that decrease the amount the amount of unpaid taxes, where the amount of the correction

does not exceed ten million (\$10,000,000) in assessed valuation.

The County Assessor has submitted a roll correction to the Auditor-Controller for processing that exceeds the authorized limit. The roll correction for APN 800-056-154 tax year 2016 reduces the fixed and personal property roll values by \$12,618,080.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
Where is it budgeted?	With the reduction to the assessed value, there is a corresponding decrease in the amount of property tax revenue the County and all other AB8 entities receive through the property tax allocation process. Attached is the calculation showing the anticipated decrease for each taxing entity due to this reduction. The total reduction to the General Fund share is estimated at \$22,335.
Is it Mandatory or Discretionary?	Mandatory
Is the general fund affected?	Yes
Future fiscal impact:	There are four additional tax year corrections for this property pending stipulations from the Assessment Appeals Board for 2017, 2018, 2019, and 2020. Although each additional year is estimated to be less than the \$10,000,000 limit requiring Board of Supervisor approval, future years tax revenues for the AB8 taxing entities will be reduced proportionally.
Consequences if not approved:	Napa County Assessor is required to assess the fair market value of all land, improvements, fixtures and personal property in the County. If these reductions are not made, such requirement will not be met.
County Strategic Plan pillar addressed:	Effective and Open Government

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

Resolution No. 2013-137 authorizes the Auditor-Controller to perform, on behalf of the Board of Supervisors, corrections to the local assessment roll as set forth in Section 4831 et seq. of Revenue and Taxation Code, including corrections that decrease the amount of unpaid taxes, where the assessed value of the correction does not exceed ten million dollars (\$10,000,000). The County Assessor submitted a roll correction to the Auditor-Controller for processing that exceeds the authorized limit.

Assessor parcel 800-056-154, is an unsecured business property. During a regular audit of the property owner for assessment years 2016-2020, the business Property Section of the Valuation Division of the Assessor-Recorder-County Clerk learned that the non-carbonated beverage production lines were subject to functional and economic obsolescence resulting in a substantial decrease in assessed value for those lines for all years. The pending assessment appeals for the four remaining years individually do not require Board of Supervisors approval as they do not meet the \$10,000,000 threshold. However, the reduction in value over the four remaining years collectively is estimated to be slightly over \$16,000,000. The audit also revealed that the property owner was going to close this facility in calendar 2023 because this obsolescence had reduced profitability.

Attachment A provides a breakdown of the estimated tax reduction for each of the AB8 entities for 2016. For the County's General Fund, the estimated reduction of tax revenues of \$22,335.