



Bill Luna
County Executive Officer

Jay E. Orr
Assistant County Executive Officer

Executive Office, County of Riverside

March 31, 2009

Honorable Board of Supervisors
County of Riverside
Robert T. Andersen Administrative Center
4080 Lemon Street, 5th Floor
Riverside, California 92501-3651

Subject: **ASSESSMENT APPEALS PROCESS**

Honorable Members of the Board:

Attached to this letter is a Form 11 that begins the process of enhancing our assessment appeals process.

Declining property values have led to an unprecedented increase in the number of assessment appeals filed by property owners. While Riverside County typically receives 3,000 to 4,000 in a year, we had over 12,000 in 2007 and over 33,000 in 2008.

On average our county closes out about 450 appeals per week. Appeals are typically resolved in one of three ways: 1) assessor staff review cases and negotiate with property owners to settle appeals, where appropriate; 2) some property owners' cases are dismissed, most often because they never respond to county staff or fail to appear at an appeals board meeting; or 3) property owners present their case at one of the county's two full-day assessment appeal meetings per week. Each board reviews up to 15 cases per meeting. Boards tend to review only complicated cases or those where the property owner and the Assessor can't agree on a property value.

At the current resolution rate, we will be able to process all pending appeals within the two years allowed by law. Failure to meet that deadline means that the applicant's value is reduced to the requested amount, causing a greater than necessary reduction in the revenues. However, should a large number of appeals be filed, or if more complicated cases are filed, it would challenge our ability to meet the deadline. The Assessor expects that we will see both more cases and more complicated cases. Therefore, to further improve processing of assessment appeals, changes are recommended. The county should augment the appeals process by taking three critical steps: 1) fill the maximum number of appeals boards allowed by law; 2) schedule three full-day meetings per week; and 3) implement a pilot program to add and use hearing officers.

Subject: **ASSESSMENT APPEALS PROCESS ENHANCEMENT**
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To fully implement all recommended changes will take several months. The ordinance revisions before the Board today will take five weeks to take effect. A subsequent resolution will then recommend an increase to the compensation of appeals board members or hearing officers. The next step will be to recruit and train new board members and hearing officers. One key to success will be having an adequate pool of qualified applicants. Therefore, we propose beginning an outreach campaign on our web site and to local legal, accounting, and real-estate professional organizations to encourage qualified applicants to apply. Finally, the use of hearing officers is new for our county, so new procedures will need to be designed and implemented. This process could require several months, so my recommendation is that the Clerk of the Board begin the process immediately. The use of hearing officers will accelerate the disposition of simple appeals.

My estimate is that the additional cost of these enhancements will be \$350,000 beginning in FY 2009/10. I will defer these costs to the Proposed Budget, scheduled to come before the Board on May 4, 2009.

It is recommended that the Board of Supervisors:

- 1) Amend ordinance 510 as described in Item 3.57 on the 3/31/09 agenda
- 2) Fill all five appeals boards and add one extra meeting per week
- 3) Add two hearing officers as a pilot program, and evaluate the program's effectiveness at the mid point of FY 2009/10

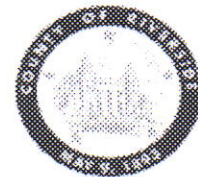
Respectfully Submitted,


BILL LUNA
County Executive Officer

Attachment

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**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Clerk of the Board

SUBMITTAL DATE: March 31, 2009

SUBJECT: Ordinance No. 510.6, an Ordinance of the County of Riverside Amending Ordinance No. 510 Providing for Assessment Appeals Boards and Hearing Officers

RECOMMENDED MOTION: That the Board introduce and on the successive week adopt Ordinance No. 510.6, an Ordinance of County of Riverside Amending Ordinance No. 510 Providing for Assessment Appeals Boards and Hearing Officers.

BACKGROUND: The recommended changes to Ordinance 510 will: 1) Simplify the process to adjust the compensation of Assessment Appeals Board members or Hearing Officers; 2) set forth the category of assessment applications to be heard by Hearing Officers, and 3) provide that the Hearing Officers' decision is final.

The Assessment Appeals Board (AAB) Member is no longer listed in the County Salary Ordinance 440, therefore the following section of Ordinance No. 510 needs to be revised to remove the reference.

"Section 3. Each member of an Assessment Appeals Board and each hearing officer shall receive a one half day or one full day per diem payment at the rate established in the County Salary Ordinance and shall also receive reimbursement for mileage between his or her place of residence and the meeting site of the Board or hearing location as well as reimbursement for luncheon on those occasions when the business of the Board or Hearing Office requires the member's or hearing officer's presence past 12:00 noon."

Nancy Romero

Nancy Romero, Clerk of the Board

FINANCIAL DATA	Current F.Y. Total Cost:	\$	In Current Year Budget:
	Current F.Y. Net County Cost:	\$	Budget Adjustment:
	Annual Net County Cost:	\$	For Fiscal Year:

SOURCE OF FUNDS:	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: SEE ATTACHED LETTER *Christopher Hans*
CHRISTOPHER HANS

County Executive Office Signature

Policy Policy

Consent Consent

Dept. Recomm.: Per Exec. Ofc.:

Prev. Agn. Ref.: | **District:** | **Agenda Number:**

FORM APPROVED COUNTY COUNSEL
BY: *Michelle Clack* DATE: 3/27/09
MICHELLE CLACK

Departmental Concurrence

It is expected that some AAB members from the eastern portion of the county will require overnight lodging to attend their assigned hearing dates. It is recommended that reimbursement for overnight lodging should also be included in Ordinance No. 510, not to exceed the amount designated in Board Policy D-1 (Reimbursement for General Travel) – currently \$159.00 per night.

To allow for the use of Hearing Officers to review assessment appeals, Section 6 (Hearing Officers) of Ordinance 510, specifically Section A needs to be revised to show that the assessment hearing officer may conduct hearings on applications where all of the following apply:

- 1) The applicant is the assessee and has filed an application under section 1603.
- 2) The total assessed value of the property under consideration, as shown on the current assessment roll, does not exceed \$500,000; or the property under consideration is a single-family dwelling, condominium or cooperative, or multiple-family dwelling of 4 units or less regardless of value.
- 3) Applicant has requested that the hearing be held before the assessment appeal hearing officer.

Section C needs to be amended to implement Revenue and Taxation Code Section 1641.5 to provide that the decision of the hearing officer on an assessment appeal application constitutes the final administrative decision of the County Assessment Appeals Board on that application without any further action by the county assessment appeals board.

This ordinance will take effect 30 days after it is adopted. The Resolution Establishing the Per Diem Rate for the Assessment Appeals Board Member and Hearing Officer, and the Resolution incorporating Section 1641.5. final administrative decision will be placed on the May 12th agenda once the ordinance is effective.

We propose to have the ability to use an Assessment Appeals Board Member as a hearing officer.

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3) The applicant has requested that the hearing be held before an assessment hearing officer.”

Section 3. Section 6. subsection C. of Ordinance No. 510 is amended to read as follows:

“C. The decision of an assessment hearing officer on an assessment appeal application constitutes the final administrative decision of the county board of equalization or county assessment appeals board on that application without any further action by the county board of equalization or county assessment appeals board.”

Section 4. This ordinance shall take effect thirty (30) days after its adoption.

BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA

ATTEST:
CLERK OF THE BOARD

By: _____
Chairman, Board of Supervisors

By: _____
Deputy

(SEAL)

APPROVED AS TO FORM
March 27, 2009

By: 
MICHELLE CLACK
Deputy County Counsel