

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



ITEM: 3.7
(ID # 16872)

MEETING DATE:

Tuesday, August 17, 2021

FROM : AUDITOR CONTROLLER:

SUBJECT: AUDITOR-CONTROLLER: Authorization of denial of state assessed unitary property tax refund claims for Tax Year 2016-17, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Authorize the denial of the State assessed unitary property tax refund claims for the return of 2016-17 taxes paid on State assessed bills for Level 3 Communications, LLC ("Claimant"), pursuant to Revenue and Taxation Code Section 100 and Section 5096 and authorize the Auditor-Controller to notify the Claimants of the Board's decision.

ACTION: Consent


Tanya Harris, Assistant Auditor Controller 8/9/2021

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Hewitt, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez, and Hewitt
Nays: None
Absent: None
Date: August 17, 2021
xc: Auditor

Kecia R. Harper
Clerk of the Board

By 
Deputy

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

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0.00	\$0.00	\$0.00	\$0.00
NET COUNTY COST	\$0.00	\$0.00	\$0.00	\$0.00
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 2021-22	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Auditor-Controller is required to calculate the tax rate necessary for the timely and accurate billing of property taxes in Riverside County. The California Constitution XIII, XIII A and various Revenue and Taxation Codes directs the counties on the property tax process, including State assessed unitary property. The Auditor-Controller's Office has received a property tax refund claim from a unitary property owner for taxes paid in 2016-17. The property owner's claim states the unitary property tax rate is in excess of the rate allowed by the California Constitution, and they have requested a combined refund of \$66,235.01 plus interest.

The Auditor-Controller's Office has followed all the requirements of Revenue and Taxation Code Section 100 directing the establishment and calculation of the unitary tax rate for tax year 2016-17. The unitary tax rates have been audited by the State Controller's Office and deemed calculated in compliance with State law. The Auditor-Controller is requesting the Board's authorization to deny the claim.

The California Constitution and Revenue and Taxation Code legislate property tax. Under Article XIII, Section 1 (a) all property is taxable. Under Section 19 the State Board of Equalization is required to annually assess property owned or used by regulated railway, telegraph, or telephone companies. This property shall be subject to taxation to the same extent and in the same manner as other property. Article XIII, A Section 1 (a) states the maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent (1%) tax to be collected by the counties and apportioned according to law to the districts within the counties. Section 1 (b) states the limitation provided for subdivision (a) shall not apply to ad valorem taxes or special assessments to pay the interest and redemption charges on any of the listed voter approved debt, such as school bonds. Revenue and Taxation Code Section 723 and 723.1 instructs the State Board of Equalization regarding valuing property and defines certain state assessed properties as "unitary property" and "non-unitary property". Revenue and Taxation Code Section 100 instructs the County how the values and revenues for unitary property shall be allocated. Section 100 (a) requires the County to establish one countywide tax rate area. The assessed

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

value of all unitary and operating non-unitary property shall be assigned to this tax rate area. No other property shall be assigned to this tax rate area. Section 100 (b) requires property assigned to the tax rate area created by subdivision (a) to be taxed for the counties ad valorem tax levies at a rate as prescribed by a set formula.

The claimant has challenged the State requirements and stated they are entitled to a refund of a portion of their respectively paid 2016-17 unitary taxes plus interest, on the grounds the taxes were erroneously or illegally collected, or illegally assessed or levied, and gave the following reasons:

- a. The property tax rate applied to compute claimant's property tax was in excess of the rate applied in the same year to the property in the county assessed by the assessor of Riverside county in violation of Article XIII, section 19 of the California Constitution and *ITT World Communications v. City and County of San Francisco*, 37 Cal. 3d 859 (1985).
- b. The property tax rate applied to compute the claimant's property taxes exceeded the rate allowed by Article XIII A, Section 1 of the California Constitution.

In consultation with County Counsel, the Auditor-Controller's Office has reviewed the claim and the audited County practices for unitary taxation. Riverside County follows the requirements of Revenue and Taxation Code Section 100 for the calculation of the unitary tax rate. Therefore, the Auditor-Controller has determined that no refund is allowable to the property owner and requests the Board instruct the Auditor-Controller's Office to deny the claim.

If a board of supervisors for a county does not render a decision in regard to a claim for refund within six months after receipt of such claim, a claimant may file a suit in court. Also, a claimant would have 6 months to file a suit in court from the date a denial decision is made by a board of supervisors. The claim from Level 3 Communications LLC was filed with the County in April 2021 as further described in Attachment A. The County has six months after receipt to approve or deny the claim before the claimant may file suit in court. If the County does deny the claim, that starts a six-month statute of limitations in which a claimant must bring suit.

Impact on Residents and Businesses

If a refund were allowable by law, the refund would impact primarily school districts and water districts of Riverside County with voter approved debt obligations.

ATTACHMENT A:

Summary of Claim

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



Stephanie Perez, Principal Management Analyst 8/10/2021

Auditor-Controller's Office
 Property Tax Division
 18-Jul-21

Attachment A

Claim for Refund of Tax Payments

Assessee	Co.	Year	Claim	Date Received	
				By County	By Auditor Controller's Office
Level 3 Communications, LLC	33-761	2016-17	\$ 66,235.01	4/12/2021	7/2/2021
			<u>\$ 66,235.01</u>		

LUMEN®

April 6, 2021

Clerk of the Board of Supervisors
County of Riverside
4080 Lemon Street, 1st Floor, Suite 127
Riverside CA 92501

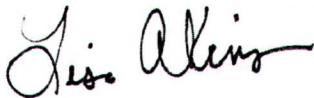
Dear Sir or Madam:

I have enclosed a claim for refund of property taxes for the 2016-17 fiscal year for Level 3 Communications LLC. The Company became an indirect wholly-owned subsidiary of CenturyLink, Inc. on November 1, 2017. On September 14, 2020, CenturyLink announced a name change to Lumen Technologies. As Sr. Director – Property Tax of Lumen Technologies, I have the authority to make this claim for refund of property tax on behalf of Level 3 Communications LLC pursuant to the enclosed Certificate of the Assistant Secretary of Level Communications LLC and also pursuant to Revenue and Taxation Code section 5097.

I demand the Board of Supervisors make its order directing the controller to refund the claimant, Level 3 Communications LLC, the amount listed on the enclosed Claim for Refund of Property Taxes, paragraph 3, plus appropriate interest. Supporting documentation of this claim includes a copy of the original tax bill, copies of canceled checks or documentation of successful EFT or ACH deposit. (Exhibits 1 and 2)

Should you have questions concerning this claim, please contact me as soon as possible.

Sincerely,



Lisa Akins
720-888-2262
lisa.akins@lumen.com
1025 Eldorado Blvd
Broomfield CO 80020

2021 APR 12 AM 11:03

RECEIVED/RECEIVED
COUNTY OF RIVERSIDE
CLERK OF THE BOARD OF SUPERVISORS
4080 LEMON STREET, SUITE 127
RIVERSIDE, CA 92501

**CERTIFICATE OF THE ASSISTANT SECRETARY
OF
LEVEL 3 COMMUNICATIONS, LLC**

The undersigned, Mieke Cole, Assistant Secretary of Level 3 Communications, LLC, a limited liability company (the "Company"), hereby certifies, to the best of her knowledge and belief, and solely in her capacity as an officer of the Company, that:

1. As of the date hereof, That I am the Assistant Secretary of the Company;
2. The Company is duly organized, validly existing and in good standing under the laws of the State of Delaware;
3. As of the date hereof, Lisa Akins, is the Sr. Director – Property Tax of the Company and, in such capacity, has the authority to execute on behalf of the Company any and all documents relating to property tax filings and/or refunds of the Company pursuant to the Company's internal policies.

IN WITNESS WHEREOF, I have hereunto set my hand of the Company this 6th day of April, 2021.



Mieke Cole, Assistant Secretary

CLAIM FOR REFUND OF PROPERTY TAXES

To: Board of Supervisors, County of Riverside, California.

The undersigned, as Sr. Director – Property Tax of Lumen Technologies (formerly CenturyLink) the claimant herein, hereby makes this claim for refund of property tax on behalf of the claimant pursuant to Revenue and Taxation Code section 5097 and demands that the Board of Supervisors make its order directing the controller of said County to refund to claimant the sum of \$ 66,235.01 in taxes levied for the fiscal year 2016-17. In support of said claim, the undersigned states:

1. Claimant is and at all times herein mentioned was CenturyLink Communications LLC, a corporation duly organized and existing under the laws of the State of Delaware, with its principal place of business located at 100 CenturyLink Dr, Monroe, LA, 71203, Ouachita Parish, Louisiana.
2. For fiscal year 2016-17, the California State Board of Equalization assessed the value of claimant’s unitary and nonoperating California property pursuant to its authority under Article XIII, section 19 of the California Constitution and section 721 of the Revenue and Taxation Code. Pursuant to its authority under Revenue and Taxation Code section 756, the California Board of Equalization transmitted a roll showing claimant’s unitary and nonoperating property in Riverside County. On the basis of said assessment and transmittal of said roll, taxes were levied on said property for said fiscal year in the sum of \$ 228,489.64 (Exhibit 1) and paid by claimant in full on or about 12/3/16 and 4/3/17 (Exhibit 2).
3. Claimant is entitled to a refund of a portion of said taxes in the amount of \$ 66,235.01, plus appropriate interest, on the grounds that said taxes were erroneously or illegally collected, or illegally assessed or levied, for the following reasons:
 - a. The property tax rate applied to compute claimant’s property taxes was in excess of the rate applied in the same year to property in the county assessed by the assessor of Riverside County, in violation of Article XIII, section 19 of the California Constitution and *ITT World Communications v. City and County of San Francisco*, 37 Cal. 3d 859 (1985).
 - b. The property tax rate applied to compute claimant’s property taxes exceeded the rate allowed by Article XIII, section 1 of the California Constitution.
4. No refund of said taxes, or any part thereof, has been previously made.

I declare under penalty of perjury that the foregoing is true and correct, and that I am authorized by claimant to make this claim for refund.

Dated: April 6, 2021 at 1025 Eldorado Blvd, Broomfield CO 80021

Name: Lisa Akins Title: Sr. Director – Property Tax Signature: Lisa Akins

lisa.akins@lumen.com 720-888-2262

2021 APR 12 AM 11:03
RECEIVED
PROPERTY TAX
SECTION 5097

STATE BOARD OF EQUALIZATION ROLL FOR FISCAL YEAR 2016-2017 33 COUNTY OF RIVERSIDE
 761 LEVEL 3 COMMUNICATIONS, LLC
 DETAIL OF ASSESSMENTS

PER CENT SIGN EQUALS %	LAND	IMPROVEMENT	PERSONAL PROPERTY	NET VALUATION	TANGIBLE TAX	SPECIAL ASSESSMENT
TAX RATE AREA (TRA) 000-001 TAX RATE PER \$100.00 ASSESSED VALUATION 1.62649						
MAP 0761 33 001 PAR 01	565,583					135.44
FLOOD NPDES SANTA ANA						29.98
METRO WTR STBY WEST						9.22
METRO WTR STBY WEST						
MAP 0761 33 002 PAR 01	192,000					
MAP 0761 33 003 PAR 01	130,680					
MAP 0761 33 004 PAR 01	13,800					
COACHELLA VALLEY MOSQUITO & RI						1.14
MAP 0761 33 006 PAR 01	1,046,093					331.90
FLOOD NPDES SANTA ANA						133.62
METRO WTR STBY EAST						
UNITARY IMPROVEME		1,271,980				
UNITARY PERSONAL			10,827,884			
TOTALS TRA 000-001	1,948,156	1,271,980	10,827,884	14,048,020	228,489.64	641.30

STATE BOARD OF EQUALIZATION ROLL FOR FISCAL YEAR 2016-2017 33 COUNTY OF RIVERSIDE
 761 LEVEL 3 COMMUNICATIONS, LLC
 TAX RATE AREA TOTALS BY ASSESSEE

T.R.A.	RATE	LAND	IMPROVEMENT	PERSONAL PROPERTY	NET VALUATION	TANGIBLE TAX	SPECIAL ASSESSMENTS LEVY	FIXED	TOTAL TAX
000-001	1.62669	1,948,156	1,271,980	10,827,884	14,048,020	228,489.64	641.30		229,130.94
GRAND TOTALS		1,948,156	1,271,980	10,827,884	14,048,020	228,489.64	641.30		229,130.94
		**** 1ST INSTALLMENT	114,565.47	2ND INSTALLMENT	114,565.47	TOTAL TAXES	641.30	****	

STATE BOARD OF EQUALIZATION ROLL FOR FISCAL YEAR 2016-2017 33 COUNTY OF RIVERSIDE
761 LEVEL 3 COMMUNICATIONS, LLC
RECORD OF TAX STATUS

PAGE 166

T.R.A.	TOTAL TAX	FIRST INSTALLMENT	FIRST INSTALLMENT WITH PENALTY	SECOND INSTALLMENT	SECOND INSTALLMENT WITH PENALTY & COST
000-001	\$229,130.94	\$114,565.47	\$126,022.01	\$114,565.47	\$126,060.64
GRAND TOTALS	\$229,130.94	\$114,565.47	\$126,022.01	\$114,565.47	\$126,060.64

UTILITY COMPANIES ARE BILLED BY TAX RATE AREA

THIS SUMMARY IS PROVIDED FOR YOUR CONVENIENCE

TAX RATES BY TAX RATE AREAS (2016-17)

-----REVENUE DISTRICT-----			-----TAX RATE AREAS-----			
NUMBER	NAME	RATE	00-001	00-002	00-095	00-511
1-0001	SBE UNITARY	1.62649	X			
1-0002	SBE UNITARY RAILROAD	1.62649		X		
1-0095	SBE QUALIFIED ELECTRIC PROP	1.62649			X	
1-0511	SBE PIPELINE	.00000				X
TAX RATE AREA RATES			1.62649	1.62649	1.62649	.00000



Choose a department

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OFFICE OF THE TREASURER-TAX COLLECTOR
RIVERSIDE COUNTY, CALIFORNIA

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- ALERTS!

Electronic Fund Transfer Requirements ACH Instructions

Electronic Fund Transfer Requirement & ACH Instructions for SBE and Secured Property Tax Bill Payment

In accordance with the State of California Revenue and Taxation Code Section 2503.2 (b), all taxpayers who have a tax liability of \$25,000.00 or more per installment are subject to an electronic payment requirement.

Effective December 2000, Riverside County elected to require that property tax payments of \$25,000.00 or more per installment or more be paid by wire transfer or through our online payment system at www.countytreasurer.org. Failure to comply could result in the payment being returned as if no payment had been attempted and the applicable penalties and costs would apply.

Payments made via ACH must be received by our office no later than the statutory due date. Please check with your financial institution regarding processing times to ensure that your payment is received timely.

To obtain our wiring instructions contact Courtney Smith (951) 955-3264 or email ttwirepayments@rivcotc.org

Our Taxpayer ID # is 95600930.

For ACH - SBE Payments

The following **ADDENDA MUST** be included:

33 (county code) and **SBE #** (your three digit SBE number) followed by four zeros in the nine digit addenda field

Tax Type Code is 110, followed by 2 digits:

Example

- 01 (this is for the first installment only) 11001
- 02 (this is for the second installment only) 11002
- 03 (this is for both instalments) 11003

For ACH Secured Property Tax Payments

The following **ADDENDA MUST** be included

The ten digit **Assessment number(s)** as shown on the tax statement. (At least one assessment number must be included.)

Tax Type Code is 110, followed by 2 digits:

Example

- 01 (this is for the first installment only) 11001
- 02 (this is for the second installment only) 11002
- 03 (this is for both instalments) 11003

Please provide written notification of what assessment number(s) or SBE number are being paid, the date the funds will be transferred to our account, and the dollar amount. Also, include a contact name, phone number and address. Without this information, your payment will not be credited immediately and the payment could be returned resulting in additional costs and penalties applied to your account(s). Please retain your bank confirmation for your records. You may submit your notification of payment via e-mail at EFT@rivcotc.org or by FAX (951) 955-3932

If you are paying 15 or more parcels, we are now requiring your payment information be submitted on our website under Online Payment Files. Click on Request Access to obtain a userid and password to access the system. Once you have your logon information, simply enter the assessment number, installment number and amount paid for each parcel that you intend to pay. When you have entered all parcels click continue to enter your contact information and method of payment. When all

Information has been entered click on finish to save the payment file and receive your confirmation and payment file number. This number must be referenced on your wire transfer or check payment.

You may also electronically pay other taxes not subject to this requirement.

If you should have questions regarding these instructions, please refer to our Frequently Asked Questions. If you have further questions, you may contact our office at (951) 955-3900.

Thank you.

Don Kent
Treasurer-Tax Collector

Treasurer	Tax Collector	Forms & Fees	Quick Links	About	Contact Us
About	About	Forms	Property Tax Portal	Mission Statement	4080 Lemon St
Treasurer's Pooled Investment Fund	How to Pay	Pamphlets	Assessor	What We Do	Riverside, CA 92501
County Financial Information	Property Tax Frequently Asked Questions	Schedule of Fees	Auditor-Controller County of Riverside	Don Kent	Phone (951) 955-3900 E-mail: ttc@rvcotc.org
School and Special District Fund Access	Mobilehome Tax Clearance Certificates		County Holidays News		General Contact Information
	Tax Cycle Calendar and Important Dates to Remember		Important Dates		Downtown Riverside
	Tax Sales		Mailing Address Change		Desert Office
	Unclaimed Money				Temecula Office
	Published Notice to Taxpayers				
	25 Largest Taxpayers				

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Check Total	Amount	Payee Title	Check #	Paid Date	Par Number
73,887.19	73,887.19	Fresno County Tax Collector-ACH	ACH	4/3/2017	ACH
73,887.19	73,887.19	Fresno County Tax Collector-ACH	ACH	12/5/2016	ACH
121,520.06	121,520.06	Kern County Treasurer-Tax Collector	EFT 000262	4/3/2017	170330039097FED
121,520.06	121,520.06	Kern County Treasurer-Tax Collector	EFT	12/5/2016	161202034415FED
114,565.47	114,565.47	Riverside County Treasurer	EFT 000265	4/3/2017	170330038907FED
114,565.47	114,565.47	Riverside County Treasurer	EFT	12/5/2016	161202034457FED
217,161.98	217,161.98	San Bernardino Tax Collector	EFT000248	4/3/2017	170330038872FED
217,162.08	217,162.08	San Bernardino Tax Collector	EFT	12/5/2016	161220234528FED

Level 3 Communcations LLC

2016 Estimated Overpayment of tax due to Sec. 100 Flaw

Co. #	County	Assessed	Unitary Rate	tax	Co Avg Rate	estimated tax	difference
1	Alameda	40,122,067	2.0484%	821,860.42	1.2240%	491,094.10	330,766.32
6	Colusa	3,803,137	1.0923%	41,543.19	1.0420%	39,628.69	1,914.50
7	Contra Costa	6,979,314	1.5959%	111,382.87	1.1550%	80,611.08	30,771.80
10	Fresno	10,714,369	1.2874%	137,936.34	1.1640%	124,715.26	13,221.08
11	Glenn	2,638,103	1.2228%	32,258.51	1.0550%	27,831.99	4,426.53
12	Humboldt	600,542	1.5070%	9,050.17	1.0710%	6,431.80	2,618.36
13	Imperial	9,626,708	1.4761%	142,099.84	1.1680%	112,439.95	29,659.89
15	Kern	17,134,168	1.4185%	243,040.12	1.1560%	198,070.98	44,969.14
16	Kings	2,778,920	1.2273%	34,106.57	1.0880%	30,234.65	3,871.92
20	Madera	2,821,178	1.2074%	34,062.87	1.0690%	30,158.39	3,904.48
23	Mendocino	1,118,651	1.2700%	14,206.87	1.1190%	12,517.70	1,689.16
24	Merced	4,594,579	1.4330%	65,840.32	1.0920%	50,172.80	15,667.51
28	Napa	520,320	1.7962%	9,345.99	1.1000%	5,723.52	3,622.47
30	Orange	47,161,553	1.2270%	578,681.68	1.0610%	500,384.08	78,297.60
31	Placer	1,738,011	1.5878%	27,596.14	1.0870%	18,892.18	8,703.96
33	Riverside	14,048,020	1.6265%	228,489.64	1.1550%	162,254.63	66,235.01
34	Sacramento	14,897,231	1.7917%	266,913.69	1.1270%	167,891.79	99,021.89
36	San Bernardino	31,841,124	1.3455%	428,422.32	1.1500%	366,172.93	62,249.40
37	San Diego	46,732,943	1.5075%	704,513.12	1.1360%	530,886.23	173,626.89
38	San Francisco	39,780,842	1.1792%	469,095.69	1.1760%	467,822.70	1,272.99
39	San Joaquin	5,672,553	1.5515%	88,009.64	1.1220%	63,646.04	24,363.60
40	San Luis Obispo	22,868,041	1.1154%	255,063.26	1.0400%	237,827.63	17,235.63
41	San Mateo	7,184,339	1.6884%	121,300.36	1.1120%	79,889.85	41,410.51
42	Santa Barbara	15,350,742	1.2334%	189,328.38	1.0610%	162,871.37	26,457.00
43	Santa Clara	72,499,082	2.1973%	1,592,993.33	1.2020%	871,438.97	721,554.36
45	Shasta	10,234,855	1.1683%	119,573.81	1.1000%	112,583.41	6,990.41
47	Siskiyou	2,593,762	1.1056%	28,676.63	1.0520%	27,286.38	1,390.26
48	Solano	5,814,406	1.5164%	88,169.64	1.1680%	67,912.26	20,257.38
49	Sonoma	382,478	1.6642%	6,365.20	1.1260%	4,306.70	2,058.50
50	Stanislaus	4,065,560	1.2821%	52,124.46	1.1070%	45,005.75	7,118.71
52	Tehama	4,931,453	1.0942%	53,959.96	1.0250%	50,547.39	3,412.57
54	Tulare	3,221,047	1.3411%	43,197.46	1.1080%	35,689.20	7,508.26
56	Ventura	8,647,657	1.4347%	124,069.30	1.0950%	94,691.84	29,377.46
57	Yolo	10,791,398	1.2030%	129,820.52	1.0620%	114,604.65	15,215.87

CenturyLink
Attn: Property Tax
1025 Eldorado Blvd.
Broomfield, CO 80021



7019 2280 0001

RECEIVED/RIVERSIDE COUNTY
ASSESSMENT ADMINISTRATION DIVISION
APR 12 2021

2021 APR 12 AM 11:03

NEOPOST

FIRST-CLASS MAIL

04/07/2021

US POSTAGE \$007.85⁰



ZIP 80021
041L11258303

Clerk of the Board of Supervisors
County of Riverside
4080 Lemon St, 1st Floor, Suite 127
Riverside CA 92501