AGN. NO.

MOTION BY SUPERVISOR KATHRYN BARGER April 9, 2024

Streamlining Assessment Appeals and Property Tax Corrections

The 2023 Los Angeles County Property Tax Roll accounted for 2,391,198 taxable real property parcels, 200,969 business property assessments, 33,871 boats, and 2,952 aircraft. As a result, the Los Angeles County Assessor recorded an astounding $1.997 trillion in total net value, resulting in approximately $25 billion in property tax dollars needed to fund vital public services such as healthcare, first responders, infrastructure, and education.

The assessment and issuance of property taxes is a complex undertaking which involves the Los Angeles County Office of the Assessor (Assessor), Treasurer Tax-Collector (TTC), and Auditor-Controller (A-C), all with unique roles in the process. The County strives to serve property taxpayers in a timely fashion, while adhering to Federal and State mandates and our fiduciary responsibilities. However, there are times when taxpayers may find navigating the complex system of property tax assessments and distributions challenging.

There are also instances when property owners may question the assessed value of their property. In response, the Board of Supervisors established the Assessment Appeals Board (AAB), a three-member panel that acts in a quasi-judicial capacity to make fair and impartial decisions to settle the valuation disputes between the taxpayers and the Assessor's Office and to equalize the County's property tax roll. In this capacity, the AAB sits as the Board of Equalization on behalf of the Board of Supervisors within the Executive Office of the Board of Supervisors. The AAB is required by law to hear and make a final determination on an assessment appeal within two years of the timely filing of an application unless the property owner or authorized agent waives their right to the statutory time limit.

In October 2020, during the height of the COVID-19 pandemic, AAB had nearly 34,000 open appeals with more than 47,000 parcels. The Executive Office, in collaboration with the Board of Supervisors, implemented strategies to reduce the backlog which included increasing the number of AAB members, implementing an application filing fee, and adjusting scheduling strategies. These efforts greatly reduced the high volume of backlog appeals.

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	MOTION
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However, there are still many delayed appeals in process, including property taxpayers experiencing delays in appeal hearings and more importantly – long delays in receiving potential refund payments.

In addition, there are a number of property owners who experience issues and questions regarding property tax assessments which do not involve the AAB. This includes concerns with inaccurate property tax bills, supplemental bills, and overpayments. These issues may take time to resolve between the three entities involved - Assessor, TTC, and A-C. This can cause confusion and frustration among property taxpayers and may result in delayed refunds. In some instances, the County is liable to pay interest on a property tax refund claim. Over a recent four-year period - Fiscal Year (FY) 2019-2020 thru FY 2022-2023), Los Angeles County paid more than $21 million in interest payments to property taxpayers who experienced delays in their owed refunds. In addition to the frustration created for taxpayers, this represents a financial obligation for the County.

Currently, the Assessor's Office is completing the Assessor Modernization Project (AMP), a state-of-the-art property assessment system that will replace old technologies known as legacy systems. TTC and A-C are similarly updating their joint property tax legacy systems with an e-Tax system. These are important steps in helping the County increase efficiency and effectiveness. However, we must look for more immediate opportunities to elevate and improve the process around property tax assessments, payments, and refunds, and further inspire public confidence in these processes.

I, THEREFORE, MOVE that the Board of Supervisors direct the Executive Office, in collaboration with the Assessor, the Auditor-Controller (A-C), and the Treasurer Tax-Collector (TTC) to report back to the Board in writing in 90 days on the status of Assessment Appeals Board (AAB) cases. This report should include the current number of pending AAB cases, and data from the last two fiscal years on the average time for a hearing date to be scheduled once an appeal is filed, the average time it takes for resolution for cases on appeal, and the amount of time it takes to issue refund payments to successful appellants once the case has been decided. The report back should also provide recommendations to further streamline and improve the AAB process using existing resources - such as opportunities for the Assessor to assist property taxpayers in cases that do not require the formal AAB process; improved processes to issue refunds for successful appellants more efficiently; strategies to decrease the no-show rate for AAB hearing participants; and strategies to improve scheduling processes to prevent the need for continuances and postponements to ensure more efficient case resolution.

I, FURTHER, MOVE that the Board of Supervisors direct the A-C and the TTC, in collaboration with the Assessor and the AAB, to report back to the Board in writing within 90 days with recommendations on how to enhance efficiencies and customer service to ensure the timely resolution of constituent property tax issues, including the consideration of a specialized strike team, using existing staff and resources, that can provide centralized constituent issue management drawing from all impacted departments.

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VOTES REQUIRED:

☐ 3-VOTES ☐ 4-VOTES ☐ 5-VOTES

CATEGORIES: (Please check ☒ those that apply)

☐ 1. Child Welfare
☐ 2. Community and Youth Empowerment
☐ 3. County and Municipal Services
☐ 4. Economic Justice
☐ 5. Economic and Workforce Development
☐ 6. Education
☐ 7. Environment and Environmental Justice
☐ 8. Fiscal
☒ 9. Governance
☐ 10. Health
☐ 11. Homelessness and Housing
☐ 12. Immigration
☐ 13. Public Safety and Diversion
☐ 14. Social Justice and Human Rights
☐ 15. Technology and Data
☐ 16. Arts, Culture, and the Creative Economy
☐ 17. Legislation
☐ 18. Parks and Open Space
☐ 19. Planning/Land Use
☐ 20. Transportation
☐ 21. Veterans
☐ 22. Delegated Authority