

## **Government & Administration Committee**

### ***Unsecured Property Tax Delinquencies***

Citizen Complaint #00/01-C-016

#### **Reason for the Report**

This report results from the investigation of a complaint by a property owner concerning the manner in which notice of unsecured property tax delinquencies is given by the Treasurer/Tax Collector. The complainant asserted the following:

- He had not been billed for supplemental property taxes at the time those taxes were assessed.
- He had not received reminder notices or notices of delinquency until nearly ten years after the assessments.
- When he became aware of the recorded amount of delinquency, he attempted to pay the amount certified.
- He subsequently received a bill for penalties and interest in addition to the recorded principal amount.

#### **Scope of Investigation**

The Government & Administration Committee's investigation included:

- Interviews with the Treasurer/Tax Collector and with the staff employee in her office who has expertise in property tax collection policies and procedures;
- Interview with an employee of the County Recorder's Office who has expertise in the policies and procedures pursuant to which documents can be recorded in the Official Records of El Dorado County;
- Review and examination of all correspondence between the complainant and the Treasurer/Tax Collector's Office;
- Review and examination of the Treasurer/Tax Collector's written tax collection policies and procedures for both secured and unsecured property; and
- Review and examination of state law pertaining to the filing of liens upon property based upon the existence of unpaid and unsecured property tax obligations.

#### **Findings**

- F1. The policies and procedures of the El Dorado County Treasurer/Tax Collector with regard to the imposition of supplemental unsecured property taxes are as follows:

- a. A billing for such taxes, based upon purchases of property during the tax year, is generated and mailed to the property owner;
- b. Reminder notices are sent to the property owner approximately three months after the due-date if payment for the billed amount has not been received; and
- c. A Notice of Unsecured Property Tax Lien is filed with the County Recorder. A copy thereof is sent to the property owner, during the next billing cycle, if payment for the billed amount has not been received.

F2. Unsecured Property Tax Liens expire ten years after they have been recorded. Such liens may be renewed, however, for an additional ten-year period. If such a renewal process is pursued, Certificates of Delinquency are recorded and are sent to the property owner concurrently with the renewals of such liens.

F3. At the time the complaint under investigation was submitted to the Grand Jury, it was the policy of the Treasurer/Tax Collector to set forth in the Certificates of Delinquency only the amounts of the original assessments. Under that policy, delinquent property owners were not given notice of penalties, interest or other costs or accruals which may have become due and owing on those original assessments.

F4. Under that policy, when a delinquent property owner attempted to pay the amount set forth in the Certificate of Delinquency, that payment would be rejected and a subsequent billing, setting forth both the principal amount of the original assessment and subsequently incurred penalties, interest and other costs or accruals, would be sent to that property owner.

**Recommendations**

R1. In view of the appropriate immediate corrective action taken by the Treasurer/Tax Collector when the foregoing facts were brought to her attention, no additional recommendations are required.

**Commendation**

The Grand Jury commends the Treasurer/Tax Collector for her immediate action in addressing the described procedural problem expeditiously and in a manner responsive to the interests of the citizens of El Dorado County.

**Responses Required for Findings:**

F1 through F5            El Dorado County Board of Supervisors

**Responses Required for Recommendations:**

R1                            No Response Required