

AUGUST 2, 2001 – Finance Committee

Smith, Dear

AUGUST 27, 2001 – Board Meeting

Prepared by: Sharon Koike

Submitted by: Sharon Koike

Approved by: Darryl G. Miller

ACTION CALENDAR

REQUEST FOR REFUND - STANDBY CHARGE PROGRAM

SUMMARY:

As part of the Districts Standby Charge Program, the District has a process to reduce or exempt a property owner's standby charge assessment on an annual basis, provided certain criteria are met each year. The resolution adopted by the Board to impose the annual Standby Charge also indicates that a refund or adjustment of Standby Charges assessed that qualify for a reduction or exemption, will be adjusted going back for up to one year. This provision in the District's resolution does not specifically address other types of adjustments such as changes to the property's tax use code.

Last year, the District received a request for an adjustment and refund of standby assessments from the Palos Verdes Land Holdings (PVLH). PVLH processed a change of their property's tax use code on 96 parcels of land, effective June 12, 2000. This change will reduce their Standby Charge assessment by \$9,287.04 per year. Subsequent to this change, the District received a request from the PVLH for an adjustment and refund of Standby Charge assessments for the past seven years that amounted to \$65,009.28. After validating that the property taxes had been paid, the District refunded an adjustment for one year in the amount of \$9,287.04 as the change was effective on June 12, 2000. Staff then inquired with District Counsel to determine if the District had any other legal obligations to refund the total adjustment back to 1993. District Counsel recommended that the District refund going back three years, as the District's exposure to liability is tempered by the three-year statute of limitations. Since one year has already been refunded, this would require the District to refund an additional \$18,574.08 to the PVLH.

Staff recommends that the Board consider refunding an additional two years of the Standby Charge assessment in the amount of \$18, 574.04 to the Palos Verdes Land Holdings.

FISCAL IMPACTS:

This adjustment will reduce the District's annual Standby Charge revenue by \$9,287.04.

ENVIRONMENTAL COMPLIANCE:

None.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on August 2, 2001 and the Committee's recommendation was to deny any further refund. This item was agendized to the August 27, 2001 Board meeting for consideration.

RECOMMENDED MOTION:

Recommend the Board consider authorizing a refund in the amount of \$18,574.08 representing an adjustment for an additional two years for the change in the property tax use code.

LIST OF EXHIBITS:

Exhibit A - Memo from District Counsel

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