

CITY OF OAKLAND  
OFFICE OF FINANCE  
REVENUE DIVISION

DIRECTOR OF FINANCE RULING NO. 21

REFUNDS ON LIENED PROPERTY

Reference: Section 5-1.21 of the Oakland Municipal Code.

Purpose

Establishes administrative policy to be followed when dealing with taxpayers contacted as a result of residential and commercial rental property billing.

BACKGROUND

The Business Tax provisions of the Oakland Municipal Code provides for the placement of liens against the real property gives use to the tax liability. The Director of Finance promulgated this ruling to provide for a fair and equitable administration of this procedure.

RULING OF THE DIRECTOR OF FINANCE

A. NOTICE OF HEARING LIEN

If a taxpayer responds to either the first or second notice (administrative hearing or Council hearing notice, respectively), determine if tax liability exists.

- 1) If it is determined that a tax liability exists, collect the amount of tax liability (inclusive of penalties and interests), note, and close the file. No administrative fee will be assessed if tax liability is paid in full prior to the Council hearing. If payment is made after the Council hearing, an administrative charge of \$50.00 will be assessed.
- 2) If it is determined that the taxpayer has no tax liability, do not charge the administrative fee: attach supporting documents and close the file.

B. CONTACT AFTER LIEN IS RECORDED

If a taxpayer responds after a lien has been recorded, determine if a tax liability exists.

- 1) If a tax liability exists, collect the amount of tax liability, \$50.00 administrative fee, and a release of lien fee in the amount equal to the amount charged by the Alameda County Recorder's Office. Prepare and file a lien release document for recording.
- 2) If it is determined that there is no tax liability, prepare a lien release document reflecting "LIEN PLACED IN ERROR" and forward the document to the Recorder's Office for recording. When the recorded document is returned, mail the original to the taxpayer and place a copy in the office file.

NOTE: If lien is not paid off by the taxpayer by August 10<sup>th</sup> of the current calendar year, the Tax Administrator shall turn over to the County Assessor for inclusion in the next property tax assessment the total sum of delinquent business taxes, penalties, interests, and an administrative fee of \$50.00.

#### C. AFTER CHARGES ARE PLACED ON SECURED TAX ROLLS

- 1) If a taxpayer responds after receiving a property tax bill with the delinquent tax and administrative assessments, provides proof that no tax liability existed, and pays the tax bill, prepare a refund request on behalf of the taxpayer for the full amount of the delinquent tax lien and give or mail a lien release document to the taxpayer after it has been recorded. If a taxpayer has not paid the tax bill, prepare a lien release document reflecting "LIEN PLACED IN ERROR" and forward the document to the Recorder's Office for recording. A letter removing the delinquent tax assessment must be submitted to the Alameda County Auditor's Office immediately so that an adjusted property tax bill will be mailed to the taxpayer. When the recorded document is returned, the original is mailed to the taxpayer and a copy is placed in the office file.
- 2) If it is determined that a tax liability exists and that the correct liability is less than the delinquent tax assessment, one of the following may apply:
  - a) Taxpayer may request for a refund of the difference by providing the tax auditor with proof of payment from the County Assessor's office. A release of lien document is given to the taxpayer to be recorded.
  - b) A letter may be prepared and submitted to the Alameda County Auditor's Office adjusting the delinquent tax assessment to reflect the correct tax liability, allowing the taxpayer to pay the County after the adjusted bill is mailed to him/her. A release of lien document is given to the taxpayer to be recorded upon furnishing to the Business Tax Office proof of payment of said lien amount to the Alameda County Tax Assessor's Office.

- c) The Tax Administrator may collect the total tax liability and the \$50.00 administrative fee, submit a letter to the County Auditor's office removing the assessment, and give the taxpayer a release of lien document to be recorded.