



AGENDA REPORT

TO: Jestin D. Johnson
City Administrator

FROM: Erin Roseman
Director of Finance

SUBJECT: Real Property Transfer Tax Noticing
Process

DATE: August 26, 2024

City Administrator Approval


Jestin Johnson (Sep 12, 2024 18:33 PDT)

Date:

Sep 12, 2024

RECOMMENDATION

Staff Recommends That The City Council Receive An Informational Report Regarding The Noticing Process To Collect Real Property Transfer Taxes.

EXECUTIVE SUMMARY

During the July 16, 2024, City Council meeting related to the public hearing authorizing the placement of liens on real property for unpaid City of Oakland (City) Real Property Transfers Taxes (“RPTT”), the City Council raised additional questions and below are the responses.

RESPONSES

The following answers are intended to provide an overview of a typical review and noticing process in addition to answering questions specific to the 32 properties that were the subject of City Council’s action in approving and authorizing the placement of the lien, via [Resolution 90373 C.M.S.](#), on those properties for unpaid RPTT on July 16, 2024.

Question 1: When and how many notices were sent to property owners regarding their unpaid RPTT?

On a monthly basis, staff reviews between 500-800 recorded deeds to determine the applicability of the RPTT. Upon determination of its applicability, the standard process is to send out at least two notices by regular mail. For the review period of January 2022 through June 2022, staff determined a total of 37 properties were subject to the RPTT and had not paid.

Notices were sent to the 37 property owners. The first notice, “Notice of Determination”, informing the property owners of the application of the tax was sent between January 2024 and May 2024. Staff then followed with the second notice, “Notice of City Council Hearing”, on June 21, 2024, informing the property owners of the potential placement of the lien if the tax remained unpaid. The second notice is the required legal notice, it informs the property owner of the City Council Lien Hearing. Out of the 37 properties, five properties were resolved by paying

Finance & Management Committee
September 24, 2024

outstanding liability and/or meeting an exemption. The remaining 32 properties were subject to the placement of the lien.

Question 2: What leverage, if any, does the City have to encourage property owners to pay the required taxes?

Staff will need to coordinate with other City departments, such as, Planning and Building department, to determine all viable options and then consult with the City Attorney's office to determine the legality of any recommended options.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Receive An Informational Report Regarding The Noticing Process To Collect Real Property Transfer Taxes.

For questions regarding this report, please contact Rogers Agaba, Assistant Revenue & Tax Administrator, at (510) 238-7009.

Respectfully submitted,



[Erin Roseman \(Sep 12, 2024 12:28 PDT\)](#)

ERIN ROSEMAN
Director of Finance
Finance Department

Reviewed by:
Rogers Agaba, Assistant Revenue & Tax
Administrator

Prepared by:
Carmen Q. Mac, Revenue Operations
Supervisor

Attachments (1):

A: Real Property Transfer Tax Noticing Process Sample Letters

Sample Letter

CITY OF OAKLAND



150 FRANK H. OGAWA PLAZA, SUITE 5342 • OAKLAND, CALIFORNIA 94612

Finance & Management Agency
Revenue Division

(510) 238-7909
TDD (510) 238-3254

January 30, 2024

Grantee:

[Redacted]

Account: [Redacted]
Document No.: [Redacted]
Date Recorded: [Redacted]
Parcel No. [Redacted]
Address: [Redacted]

RE: Real Property Transfer Tax- Notice of Determination

A review of public records suggests that tax is due on the above transfer.

Pursuant to Oakland Municipal Code, Chapter 4, Article 20, all transfers of real property within the city limits of Oakland are subject to the real property transfer tax. The tax is due upon transfer of an interest of real property and is payable at the time of recordation with the Alameda County Recorder. The tax rate is 1.50 percent of the total value of consideration transferred, with some exceptions provided by statute. The grantor and grantee are jointly and severally liable for payment of tax.

The tax imposed under this chapter is due and payable at the time the deed instrument or writing affecting a transfer subject to the tax is delivered and is delinquent if unpaid at the time of recordation thereof. (OMC 4.20.070). Delinquent payments are subject to applicable penalties and interest.

According to the records of the Alameda County Recorder, the details above is as follows:

Value of Consideration	\$	[Redacted]
Tax		[Redacted]
Less Amount Paid at Recordation		-
Net Amount of Tax Due		[Redacted]
Penalty (25%)		[Redacted]
Interest (1% per month)		[Redacted]
Subtotal	\$	[Redacted]
Payments		[Redacted]
Total Amount Due *	\$	[Redacted]

Please remit your payment via check made payable to "City of Oakland", along with a copy of this letter by **February 29, 2024**. A self-addressed envelope has been enclosed for your convenience. Additional charges will accrue and appropriate action will be taken to place a lien on the property if this account remains unpaid or unresolved within sixty (60) days of the date of this notice. If the recorded lien is not paid before August 10, 2024, the amount of the lien will be added to your property tax bill. For more information, please refer to the page titled "Real Property Transfer Tax Information".

If you wish to schedule an administrative hearing, please complete the enclosed form, "Real Property Transfer Tax Appeal Hearing Request," and return or email to this office within sixty (60) days of the date of this notification. If you do not want an administrative hearing, please disregard the enclosed hearing notice. For more information, please refer to the page titled "Real Property Transfer Tax Information"

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If you would like to schedule an appointment or have any questions, please e-mail me at cle@oaklandca.gov or call (510) 238-7909.

Sincerely,

Chris Le

Chris Le
Tax Auditor II

Real Property Transfer Tax Appeal Hearing Request

If you wish to pursue an appeal hearing, please confirm your participation by completing and returning the portion of this statement below along with any additional evidence within 60 calendar days of the notification:

Name (REQUIRED) _____ Account Number (REQUIRED) _____ Property Address (REQUIRED) _____
Mailing Address (REQUIRED) _____ Phone Number (REQUIRED) _____ Email _____ @ _____ (OPTIONAL)

- I request a **TELEPHONIC** appeal hearing for the reversal of the Real Property Transfer Tax determination.
- I request a **BY MAIL** appeal hearing for the reversal of the Real Property Transfer Tax determination. The Waiver of Telephonic Hearing is complete and attached. (See reverse side)

As soon as practical following the hearing, the hearing officer will issue a written decision regarding the transfer tax status of the subject property.

Please submit a written statement and explain the basis/reason(s) the property is not subject to or is exempt from the Real Property Transfer Tax and supply any evidence in support of the claim. Attach additional sheets if needed:

Signature

Date

IMPORTANT NOTE: You may waive the right to a telephonic hearing and proceed with your appeal by mail. If you elect to proceed with your appeal by mail, a decision will be rendered based on the Hearing Officer's review of all documents submitted in support of the appeal. To waive your right to a telephonic hearing and elect to proceed by mail, please sign, date, and return the following Waiver of Telephonic Hearing form along with your statement and evidence in support of your appeal by US mail to:
City of Oakland RPTT, c/o Chris Le, 150 Frank H. Ogawa Plaza #5342, Oakland, CA 94612
or by email to: RealPropertyTransferTaxInquiry@oaklandca.gov
The Waiver of Telephonic Hearing and appeal materials must be emailed or postmarked within 60 calendar days of the notification.

I, _____, hereby waive my right to a telephonic administrative
[Print Name]

hearing on my Real Property Transfer Tax appeal for _____ and elect to proceed with my appeal by mail.

By waiving my right to a telephonic hearing, I understand that:

1. I am responsible for proving that my property is not subject to or is exempt from the Real Property Transfer Tax;
2. I must submit a written statement explaining the basis/reason(s) for my claim that my property is not subject to or is exempt from the Real Property Transfer Tax and ALL evidence in support of my claim along with this Waiver;
3. The City will retain ALL evidence I submit, and **I SHALL NOT SUBMIT ORIGINAL DOCUMENTS I EXPECT TO BE RETURNED;**
4. A City appointed Hearing Officer will review my appeal, including, my statement, any evidence I submit, and any statement and evidence submitted by the City;
5. The Hearing Officer will decide my appeal based on the written statements, evidence and the Oakland Municipal Code; and that
6. The Hearing Officer will mail me a written decision on my appeal.

I have read the information above and understand my rights and responsibilities regarding this administrative hearing by mail. I also understand that the City will retain copies of all evidence I submit.

SIGNATURE _____

DATE _____

Documentary evidence attached (check one): YES NO

If yes, please attach a list of all evidence being submitted. The City will retain all evidence submitted.

Mail to: City of Oakland RPTT, c/o Chris Le, 150 Frank H. Ogawa Plaza #5342, Oakland, CA 94612

Email to: RealPropertyTransferTaxInquiry@oaklandca.gov



150 FRANK H. OGAWA PLAZA, SUITE 5342 • OAKLAND, CALIFORNIA
94612

Finance & Management Agency
Revenue Division

(510) 238-7909
TDD (510) 238-3254

Real Property Transfer Tax Information Sheet

Petition for Redetermination: If you disagree with the applicability and/or amount of tax liability, you must forward a written petition for redetermination within sixty (60) days of the date of this notification. If a petition for redetermination is not filed in writing with the Director of Finance, Attn.: RPTT, 150 Frank H. Ogawa Plaza, Suite 5342, Oakland, California 94612, within the sixty (60) day period, the determination becomes final at the expiration of the period. (OMC 4.20.130). Your correspondence must specify the matter(s) you are appealing, the specific ground(s) upon which your appeal is based, and evidence to support your claim(s).

IMPORTANT: If a petition for redetermination is filed within the sixty (60) day period, the Director's designee will hold a hearing to hear your objections. Please refer to the enclosed notice titled "**Real Property Transfer Tax Appeal Hearing Request**" for details regarding the hearing. If you would like to arrange to have your matter heard prior to the date scheduled, please contact the undersigned.

Penalty: Delinquent payments are subject to penalties, and a delinquency penalty of ten (10) percent of the amount of the tax due shall accrue. In the event a portion of the tax is unpaid prior to becoming delinquent, the penalty shall only accrue as to the portion remaining unpaid. A second penalty of fifteen (15) percent shall accrue if the tax remains unpaid on the ninetieth day from the date payment was delinquent. (OMC 4.20.070).

Interest on tax and penalty: Interest shall accrue at the rate of one percent a month or fraction thereof, on the amount of tax, inclusive of penalties, from the date the tax becomes delinquent to the date of payment. (OMC 4.20.070).

* **Payment Due:** Payment is now due and the total amount due includes penalty and interest computed to the date of this notice. Interest will continue to accrue at the rate of one percent per month or fraction thereof until the date of payment. To confirm the correct amount to be paid, please contact the undersigned for the payoff amount. For your convenience, a self-addressed envelope is enclosed. Failure to pay or resolve this matter within sixty (60) days of the date of this notice will result as an assessment against the property. A lien will be placed on the property for the amount due and will be recorded by the Alameda County Recorder. If the recorded lien is not paid before August 10th of the current tax year, the amount of the lien will be added to your property tax bill.

Petition for Redetermination: If you disagree with the applicability and/or amount of tax liability, you must forward a written petition for redetermination within sixty (60) days of the date of this notification. If a petition for redetermination is not filed in writing with the Director of Finance, Attn.: RPTT, 150 Frank H. Ogawa Plaza, Suite 5342, Oakland, California 94612, within the sixty (60) day period, the determination becomes final at the expiration of the period. (OMC 4.20.130). Your correspondence must specify the matter(s) you are appealing, the specific ground(s) upon which your appeal is based, and evidence to support your claim(s).

Sample Letter

CITY OF OAKLAND



150 FRANK H. OGAWA PLAZA, SUITE 5342 • OAKLAND, CALIFORNIA 94612

Finance & Management Agency
Revenue Division

(510) 238-7909
TDD (510) 238-3254

June 21, 2024



Account:
Document No.:
Date Recorded:
Parcel No.
Address:
Notice Date:
Administrative hearing Date:



NOTICE OF CITY COUNCIL HEARING

Value of Consideration	\$	
Tax		
Less Amount Paid at Recordation		-
Net Amount of Tax Due		
Penalty (25%)		
Interest (1% per month)		
Subtotal	\$	
Admin Fee		
Total Amount Due *	\$	

A notice was mailed to you regarding the Real Estate Transfer Tax due on the transfer referenced above. We also notified you of your right to appear at an Administrative Hearing on January 3, 2022. Since the tax has not been paid, **the City Council will conduct a public hearing via video teleconference (use link below) on July 16, 2024 at 3:00PM**, to review, reject or confirm the recommendation of the City Manager. Upon approval of the recommendation, an administrative fee of \$170.00 will be added to the charges shown above. The total amount will become a lien against the property and will be recorded with the Alameda County Recorder. If the recorded lien is not paid by August 10th of the current tax year, the amount of the lien will be added to your property tax bill.

Please use the following link to check the time and gain access to the video teleconference:
<https://oakland.legistar.com/calendar.aspx>

To request this notice in Spanish, Chinese, Vietnamese, or another language, please call (510) 238-7909 or email cle@oaklandca.gov.

Para solicitar este aviso en español, chino, vietnamita u otro idioma, llame al (510) 238-7909 o eparodi@oaklandca.gov por correo electrónico.

欲索取此文件的西班牙文, 中文, 越南文或其它翻譯本, 請電(510) 238-7024, 或電 cle@oaklandca.gov.

Để yêu cầu thông báo này bằng tiếng Tây Ban Nha, tiếng Trung Quốc, tiếng Việt hoặc ngôn ngữ khác, vui lòng gọi (510) 238-7909 hoặc email cle@oaklandca.gov.

If you have any questions, please call the Office of Finance, Real Property Tax section at (510) 238-7909.