

Board denies Chevron's tax assessment value appeal



By: Lexi Pandell and Rachel Waldholz | April 2, 2012 – 11:54 am

On Monday morning, the County Assessor's Appeals Board denied Chevron's appeal of its tax assessment value for the years 2007 – 2009. Representatives from the oil giant had argued that the county had overvalued the property taxes due from the company's Richmond oil refinery, and that it was owed a refund of up to \$73 million. The appeal was the largest in the county's history, according to County Assessor Gus Kramer.

But on Monday, the board ruled that the assessor had actually undervalued the company during that time, and that no refund is due. The dozen or so spectators who had come to hear the ruling — Chevron representatives on the left side of the room, and several members of the Richmond Progressive Alliance on the right — took the news calmly.

Board member Clark Wallace noted that the process took over a year and that the board examined thousands of pages of documentation before reaching its decision. "We have sincerely tried to reach a fair market value assessment," he said. "I know there will be some disagreement but that is what we set out to do, and that's what we've done."

"We think it's a poor decision, and we're disappointed," said Chevron spokesperson Dean O'Hair, who attended the meeting.

This was the second time that the board has ruled on Chevron's property taxes in recent years. In 2009, the board found that the assessor had overvalued the refinery from 2004-2006. The ruling triggering an \$18 million refund from Contra Costa County, its cities, and its water, fire and school districts. Richmond paid about \$400,000.

The disagreement stems from 2004, when the county sharply increased its assessment of the refinery's value, from \$1.9 billion in 2003 to \$3.5 billion in 2004. Chevron has appealed its property taxes every year since. Monday's ruling covered the years 2007 – 2009, and Chevron has also appealed its taxes for 2010 and 2011.

In its appeal, Chevron's attorneys argued that the refinery's taxable value was about \$1.8 billion in 2007, and \$1.15 billion in 2009. The county argued that it was more like \$3.4 billion and \$3.1 billion. In Monday's ruling, the board found that the refinery was worth \$3.77 billion in 2007, \$4.45 billion in 2008 and \$3.79 billion in 2009.

Eduardo Martinez, a member of the Richmond Progressive Alliance and Occupy Richmond, attended the meeting carrying signs that read "Chevron—don't force Richmond and C.C.Co. to cut services!" and "Isn't \$19 billion enough?!"

"Our role going forward is making sure Chevron will be a good neighbor," he said after the board announced its decision. "This isn't about tax equity, it's about power and the misuse of power."

O'Hair said that the company will carefully review the decision. A possible next step for Chevron would be taking its appeal to the Contra Costa County Superior Court, as was done for the years 2004, 2005 and 2006.

Last Friday, O'Hair and Chevron spokesperson Sean Combey said that they had scheduled a meeting with Kramer and other county officials for April 23 to discuss Chevron's appeals for the 2010 and 2011 years. They both said they hope the mediation will resolve Chevron's tax appeals for all contested years.

County Supervisor John Gioia reacted to the board's decision with praise. "This was a well written and well reasoned opinion by a well-qualified panel," he wrote in an email to Richmond Confidential. "Many people expected no change or a refund, which would have impacted city and county services." Instead, he wrote, the decision to increase the assessment of the refinery's value means that Chevron will pay more taxes to city and county governments, which he called "great news in this current economic environment."

Correction: The section that reads "O'Hair said that the company will carefully review the decision. A possible next step for Chevron would be taking its appeal to the Contra Costa County Superior Court, as was done for the years 2004, 2005 and 2006," formerly read, "O'Hair said that the company's next step would be taking their appeal to the Contra Costa County Superior Court, as was done for the years 2004, 2005 and 2006."