

Refund Procedures

PURPOSE

To document refund procedures and to define the criteria for authorizing amounts eligible for refund.

GENERAL

Permit and Resource Management Department (PRMD) issues refunds for permit fees, encroachment bonds, improvement agreement security bonds, civil penalties/code enforcement action, and planning applications. Causes for refunds can be classified in four general categories: 1) customer application withdrawal, 2) fee waivers, 3) drawing from applicant “deposit accounts,” and 4) assessment of erroneous fees. Depending on specific circumstances, PRMD might withhold portions of requested refund amounts to recoup the cost of resources spent on permit applications or other projects.

Most refunds generated by customer action occur when customers withdraw their permit applications or when they have met all conditions of approval for “improvement agreement” and encroachment projects that required bond deposits.

Refunds resulting from fee waivers consist of those that are approved by the Board of Supervisors and Hearing waivers. In cases of Board-approved fee waivers, permit fees will be refunded if fees have been collected prior to the Board’s fee waiver approval. Certain use permit fees paid at the initial application stage include a Hearing portion. If it is later determined that a Hearing is not required (Hearing waiver), then a refund for the Hearing amount will be paid to the applicant.

On occasion, PRMD engages in activities that involve EIRs and other “at-cost” projects requiring applicants to deposit sufficient funds to cover PRMD’s costs. If deposit amounts exceed the actual costs of these types of projects, applicants will receive refunds for the difference upon project completion.

Refunds for erroneous fees occur in instances when PRMD receives erroneous customer applications or when PRMD charges incorrect fees. PRMD will occasionally initialize applications from customers who submit projects that would apparently require more costly permit fees. However, if PRMD staff and/or customers later discover that a permit application should have been processed under a lower fee structure, PRMD will issue a refund for the difference between the higher fees initially charged and the lower corrected fees.

All processed refunds are documented on the standard PRMD *Refund Request* form. Refunds will be issued only after the *Refund Request* form has been completed by customers and approved by PRMD staff and managers.

AUTHORITY

California Building Code, Section 108.6 of Appendix 1
Sonoma County Code, Sections 1-7.1, 7-9, 15-8.5, 25B-3, and 26-92-180

FORMS

Refund Request form, ACT-001
(<http://sonoma-county.org/prmd/docs/handouts/act-001.pdf>)

PROCEDURE

A. Refund Request Form

1. Customers must complete and/or verify the following items:
 - a. Name
 - b. Signature (required)
 - c. Mailing address
 - d. Reason for refund
2. PRMD Managers and/or staff must complete the following items:
 - a. Signature of PRMD staff working on the customer's file
 - b. Manager signature
 - c. Date request received
 - d. Refund amount status (i.e., partial, full or disapproval)
 - e. Expenses incurred, if any (staff time and other direct expenditures)
 - f. Reason for disapproval, if any
 - g. Other comments, if necessary
 - h. Fees paid
 - i. Total refund
3. Refunds will only be issued under the name of the business or individual that paid the original fee. An exception to this provision will be made if PRMD receives authorization in writing from the original payer to issue the refund to another designated party.

B. Building, Engineering and Septic Permits

1. A copy of the related fee sheet and application shall accompany the standard *Refund Request* form discussed above. PRMD staff working on the permit file shall indicate specific fee items on the fee sheets to be refunded.

2. PRMD may authorize refunds of permit fees erroneously paid or collected, per Section 108.6 of the California Building Code.
 - a. PRMD may authorize refunding of not more than 90 percent of a permit fee paid when no work has been done under an issued permit.
 - b. PRMD may authorize refunding of not more than 90 percent of a plan check fee paid when an application for a permit (for which the fee has been paid) is withdrawn or canceled before any plan checking is done.
 - c. PRMD will only authorize refunds upon written application by the permittee, no later than one year after the date of fee payment.
3. All refund requests will be forwarded to the Account Clerk for processing. The Accountant will approve payments prior to submission to the Auditor-Controller office.

C. Well Permit Refunds

1. Applicants shall be reimbursed 50% of permit fees when a well permit is denied or if the permit is cancelled within sixty (60) days after issuance and no work has been done, per section 25B-3 of the Sonoma County Code.
2. The *Refund Request* form is initiated by the applicant and submitted to Accounting staff for processing. The Account Clerk shall calculate the refund amount and forward the completed form to the Well and Septic Supervisor for approval. The Well and Septic Supervisor will forward the approved form to the Account Clerk for processing. The Accountant shall approve the claim prior to submission to the Auditor-Controller office.
3. Refunds from voluntary withdrawals will only be authorized upon written request by the applicant, no later than 180 days after PRMD has been notified of such withdrawal.

D. Code Enforcement Penalty Refunds

1. PRMD may authorize refunds of investigation or civil penalties erroneously paid or collected, per Section 1-7.1 of the Sonoma County Code.
 - a. PRMD may authorize refunding of any investigation fee or civil penalties or portions thereof erroneously paid or collected due to the incorrect calculation by staff.
 - b. PRMD may authorize refunding of investigation or civil penalties when an application for a permit or a permit for which the fee has been paid is withdrawn or canceled. Staff shall consult with the Code Enforcement Supervisor prior to authorizing the refund.
 - c. PRMD may not authorize refunding of costs or civil penalties paid as a result of an abatement Hearing or abatement action.
 - d. PRMD will only authorize refunds upon written application by the permittee, no later than 180 days after the date of the fee payment.

2. All refund requests must be approved by the Code Enforcement Manager. Code Enforcement staff will prepare the *Refund Request* form and forward it to the Code Enforcement Manager for approval. The Code Enforcement Manager will forward the approved form to the Account Clerk for processing. The Accountant shall approve the claim prior to submission to the Auditor-Controller office.

E. Encroachment Bond Refunds

1. The *Refund Request* form for an Encroachment bond is completed at the time of application and signed by the applicants and the PRMD staff initiating the permit.
2. The refund form is validated through the cash register at the time of payment and forwarded, along with the application, to Encroachment staff. Encroachment staff will file the validated refund form and Encroachment application.
3. The Account Clerk shall maintain a database to account for bond deposit activity. At the time of deposit, the Account Clerk shall establish a subsidiary account with the Auditor-Controller office.
4. Upon project completion, Encroachment staff will pull the customer's *Refund Request* form and forward it to the Accounting Section for processing. The Account Clerk will verify the original deposit and note the bond status in the Accounting database and the permit system and prepare the refund claim. The Accountant shall approve the claim prior to submission to the Auditor-Controller office.

F. Improvement Agreement & Code Enforcement Bonds

1. Customers submit Improvement Agreement bonds in the form of cash, check or certificate of deposit to PRMD's Survey/Land Use Section (Engineering Division) or the Code Enforcement Division. PRMD only processes refunds of this type for those that are received in the form of cash or check. When a project has met the required conditions of approval (Survey/Land Use) or is found to be in compliance (Code Enforcement), the customer shall submit a *Refund Request* form to appropriate PRMD staff.
2. PRMD staff will calculate the actual refund amount, net of any withheld funds if applicable, complete the *Refund Request* form, and forward it to the Accounting Section for claims processing.
3. The Account Clerk will prepare the refund claim and forward it to the Accountant for approval. The Accountant shall approve the claim prior to submission to the Auditor-Controller office.

G. Planning/Use Permits

1. PRMD may authorize full refund of planning fees erroneously paid or collected.
2. Refunds resulting from applicant withdrawals shall only be authorized upon receipt of a written request from the applicant. The cost of staff time and/or services (including time spent reviewing outside agency comments) and supplies spent on withdrawn projects will be deducted from the requested refund amount.
 - a. For flat fee permits, Planning staff shall initiate the *Refund Request* form to verify staff time spent on the project and forward it and the original applicant withdrawal letter to Accounting for processing.
 - b. For at-cost projects, Planning staff shall immediately forward the original applicant withdrawal letter to Accounting. The Account Clerk shall calculate the refund amount, net of any costs incurred by PRMD, and forward a prepared *Refund Request* form and a summary of itemized costs to Planning staff for review and approval. Planning Staff shall return the approved *Refund Request* to Accounting for processing.
3. Refunds resulting from a determination that a Hearing is not required shall only be authorized upon receipt of a written *Refund Request* from the permittee, no later than 180 days after the date PRMD notified the permittee that a Hearing would not be required.
 - a. The refund shall be equal to the amount of the Hearing Fee (item 1175) on the Project Review fee schedule.
 - b. Planning staff shall notify the Accounting Section (preferably by e-mail) when a Hearing has been waived, and provide the Account Clerk with the file number. The Account Clerk shall initiate the *Refund Request* form, and mail it to the customer for signature.

H. Deposit Accounts (EIR studies and “at-cost” projects)

1. At the time of project completion, the Division Manager and/or PRMD staff assigned to the project shall notify the Accounting Section.
2. After notification of project completion, Accounting will prepare a summary of actual costs and compare it to the total to the applicant’s deposit. When the customer’s deposit exceeds actual cost, the Account Clerk will initiate the *Refund Request* form and forward it to the Division Manager.
3. The Division Manager or designee shall approve the *Refund Request* form and forward it to the applicant, requesting the applicant to sign the form and return it to the PRMD Accounting Section.
4. Upon receipt of the signed *Refund Request* form, the Accounting Section will process the

refund in the customary manner, as discussed in the preceding sections.

ATTACHMENTS

None.

Approved by:

/s/ Pete Parkinson

Pete Parkinson, Director

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