

Richmond Confidential

City, county settle Chevron tax disputes

By [Sally Schilling](#)

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Richmond and Contra Costa County have decided to wipe the slate clean with Chevron after nine years of ongoing property tax disputes involving millions of dollars in revenue.

The Board of Supervisors voted unanimously Tuesday to adopt a settlement regarding the county assessor's property valuations of the Richmond refinery for the years 2004 to 2012. Chevron agreed to dismiss all of its appeals of the assessed property values of its refinery for these years.

The City of Richmond also approved the settlement during its closed session on Tuesday.

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The settlement means that the county and city will no longer be at risk of having to pay more tax refunds to Chevron for those years, Councilman Jael Myrick said.

“Chevron was trying to get back from the city a pretty substantial refund,” Myrick said. “This takes that off the table.”

The Assessment Appeals Board found Chevron was owed \$17 million in refunds for the years 2004 to 2006 and that Chevron owed the county \$25 million for the years 2007 to 2009, according to a county staff report. Under the agreement no more money needs to change hands.

“There is now certainty with regard to tax payments for the years in question,” Supervisor John Gioia said.

The settlement includes an agreement that the taxable value of the refinery for the year 2012 will be reduced from its original valuation of \$3.87 billion to \$3.28 billion. Chevron is entitled to \$8 million in overpaid taxes for 2012, but the parties agreed to halt all county refunds to Chevron for previous years.

Dismissing all pending tax litigation means the county and its beneficiaries are preserving another \$7.2 million in property taxes that the county received as a result of previous decisions by the Assessment Appeals Board (AAB).

“It puts to rest a longstanding dispute that put at risk the funding for essential local government services,” Gioia said.

Chevron refinery general manager Kory Judd agreed.

The corporation “is pleased to have resolved the tax issues with the Contra Costa County Assessor’s Office to ensure that we are able to preserve funding for essential services and the County’s public schools,” Judd said in a Chevron press release. “We are focused on moving forward and continuing to partner with the community to build a strong economic future for the County and the City of Richmond.”

Gioia said, “If Chevron has a dispute for a future year, it is required to go to mediation first.” In any future dispute mediation is mandated as a first step under the agreement.

Requiring mediation does not necessarily mean there will not be future appeals by Chevron, the supervisor said. It is not uncommon for any of the four refineries in the county to appeal property valuations, Gioia added.

“It depends upon what approach Chevron takes going forward,” he said. “If the spirit of the agreement continues, that could decrease the likelihood of appeals.”

Chevron officials said the agreement would improve the overall climate between the company and the local governments.

“[Chevron, U.S.A.] believes the settlement discussions have fostered a better relationship with the County Assessor and will help bring the assessed value for the Richmond Refinery in line with other refineries in the Bay Area and the United States,” the Chevron press release stated.