

Board, Stark at odds over hospital bill

Issue may be settled in court

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Unable to agree whether to pay for a settlement of a tax dispute, Sutter County and its auditor-controller are set to battle over the issue on Tuesday. The Board of Supervisors will decide whether to order Robert Stark to pay Fremont-Rideout Health Group \$588,024 to drop claims the county wrongly collected three years of property taxes.

Stark has refused and called the settlement irregular, though the board reportedly struck its deal with the health group more than three months ago. Even if supervisors vote to force Stark's hand, one board member predicted it would not end the battle and might lead to a showdown in Superior Court. "Whether he pays it or not is another battle," Supervisor Larry Montna said Friday. "Just because we instruct him, he might (still) say he has the authority to say no."

Fremont-Rideout filed a claim in February seeking the return of \$885,024 in property taxes from 2006 to 2008 for its center on Plumas Street in Yuba City. The hospital group argued it was entitled to the tax exemption the state grants for health care organizations, but the assessor's office argued the tax break lapsed after it acquired Fremont Medical Center in 2005 without re-registering its ownership under the new name.

Supervisors said they drew up the settlement — which Stark and other critics call a tax refund — in a May 19 closed session, and board Chairman Jim Whiteaker co-signed it a month later with Fremont-Rideout's chief financial officer. But Stark declared the absence of a public vote leaves him unable to release the settlement money.

"The internal control problems are totally obvious," said Stark. "If I can pay out over half a million dollars on (Whiteaker's) signature with no documentation that the board approved it or budgeted for it, then every time he sends over a claim, I have to pay it. I don't think that's what the public wants." Defiance of a board order to pay the settlement could lead to a second courtroom conflict between Stark and the county.

In August 2006, Stark sued the county alleging curbs on his free speech and impeding his authority as auditor-controller. The board had declared it had final power over expense reimbursements, and Stark said the county's refusal to distribute his memo on the issue violated his First Amendment rights. Stark abandoned the suit after 14 months when a judge dismissed all but one of his 13 complaints against the county.