## VALUATION AUTHORITATIVE CITATIONS

The following provides the authoritative citations for the valuation portion of the Change in Ownership Survey Topic. In general, citations include Constitutional provisions, sections of the Revenue and Taxation Code, other applicable statutes, court cases, Property Tax Rules, Assessors' Handbooks, Letters To Assessors, and legal annotations pertaining to the topic.

<table>
<thead>
<tr>
<th>CITATION</th>
<th>DESCRIPTION</th>
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<tr>
<td><strong>California Constitution</strong></td>
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<tr>
<td>Article XIII A, §1</td>
<td>Maximum ad valorem tax on real property. (a) The maximum amount of any ad valorem tax on real property shall not exceed one percent (1%) of the full cash value of such property. The one percent (1%) to be collected by the counties and apportioned according to law to the districts within the counties.</td>
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| Article XIII A, §2 | Valuation of real property. (a) The "full cash value" means the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. All real property not already assessed up to the 1975-76 full cash value may be reassessed to reflect that valuation. However, the Legislature may provide that any person over the age of 55 years who resides in property that is eligible for the homeowner's exemption may transfer the base year to any replacement dwelling of equal or lesser value located within the same county and purchased or newly constructed by that person as his or her principal residence within two years of the sale of the original property. In addition, the Legislature may authorize each county board of supervisors to adopt an ordinance making the provisions of this subdivision relating to the transfer of base year values also applicable to situations in which the replacement dwellings are located in that county and the original properties are located in another county within this State. The Legislature may extend the provisions of this subdivision relating to the transfer of base year values from original properties to replacement dwellings of homeowners over the age of 55 years to severely disabled homeowners. (b) The full cash value base may reflect from year to year the inflationary rate not to exceed 2 percent for any given year or reduction.
as shown in the consumer price index or comparable data for the area
under taxing jurisdiction, or may be reduced to reflect substantial
damage, destruction, or other factors causing a decline in value.

## Revenue and Taxation Code

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
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<tr>
<td>§50</td>
<td><strong>Base year value for property purchased or changes ownership.</strong> For purposes of base year values as determined by section 110.1, values determined for property which is purchased or changes ownership after the 1975 lien date shall be entered on the roll for the lien date next succeeding the date of the purchase or change in ownership.</td>
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| §51     | **Adjustments to base year values.** (a) For each lien date after the lien date in which the base year value is determined pursuant to section 110.1, the taxable value of real property shall, except as otherwise provided, be the lesser of:

1. its base year value, compounded annually since the base year by an inflation factor (the inflation factor should not cause the percentage increase for any assessment year to exceed 2 percent of the prior year's value), or
2. its full cash value, as defined in section 110, as of the lien date, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a decline in value.

(d) "Real property" means that appraisal unit that persons in the marketplace commonly buy and sell as a unit, or that is normally valued separately.

(e) Nothing in the section shall be construed to require the assessor to make an annual reappraisal of all assessable property. However, for each lien date after the first lien date for which the taxable value of property is reduced, the value of that property shall be annually reappraised at its full cash value as defined in section 110 until that value exceeds the factored base year value. |
| §51.5   | **Errors and omissions in determination of base year value.** (a) Notwithstanding any other provision of the law, any error or omission in the determination of a base year value pursuant to paragraph (2) of subdivision (a) of section 110.1, including the failure to establish that base year value, which does not involve the exercise of an assessor's judgment as to value, shall be corrected in any assessment year in which the error or omission is discovered. 

(b) An error or an omission described in subdivision (a) which involves |
the exercise of an assessor's judgment as to value may be corrected only if it is placed on the current roll or roll being prepared, or is otherwise corrected, within four years after July 1 of the assessment year in which the error or omission is discovered.

(c) An error or an omission involving the exercise of an assessor's judgment as to value shall not include errors or omissions resulting from the taxpayer's fraud, concealment, misrepresentation, or failure to comply with any provision of law for furnishing information required by sections 441, 470, 480, 480.1, and 480.2, or from clerical errors.

(d) If a correction authorized by subdivision (a) or (b) reduces the base year value, appropriate cancellations or refunds of tax shall be granted in accordance with this division. If the correction increases the base year value, appropriate escape assessments shall be imposed in accordance with this division.

(e) The existence of a clerical error shall be proved by a preponderance of the evidence, except that if the correction is made more than four years after July 1 of the assessment year for which the base year value was first established the clerical error shall be proved by clear and convincing evidence, including the papers in the assessor's office. Nothing in this subdivision shall be construed to change the standard of proof applicable to a determination of the value of property.

(f) For purposes of this section:

1. "Assessment year" means an assessment year as defined in section 118.
2. "Clerical errors" means only those defects of a mechanical, mathematical, or clerical nature, not involving judgment as to value, where it can be shown from papers in the assessor's office or other evidence that the defect resulted in a base year value that was not intended by the assessor at the time it was determined.

§65.1 Percentage interests; units or lots in a complex with common areas or facilities. (a) Except for a joint tenancy interest described in subdivision (f) of section 62, when an interest in a portion of real property is purchased or changes ownership, only the interest or portion transferred shall be reappraised. A purchase or change in ownership of an interest with a market value of less than five percent of the value of the total property shall not be reappraised if the market value of the interest transferred is less than ten thousand dollars ($10,000) provided, however, that transfers during any one assessment year shall be cumulated for the purpose of determining the percentage interests and value transferred.
(b) If a unit or lot within a cooperative housing corporation, community apartment project, condominium, planned unit development, shopping center, industrial park, or other residential, commercial, or industrial land subdivision complex with common areas or facilities is purchased or changes ownership, then only the unit or lot transferred and the share in the common area reserved as an appurtenance of such unit or lot shall be reappraised.

Notwithstanding any other provision of law, the increase in property taxes resulting from such reappraisal shall be applied by the owner of such property to the tenant-shareholder, lessee, or occupant of such individual unit or lot only, and shall not be prorated among all other units or lots of such property.

| §75.2  | "Current roll." Current roll means the roll for the fiscal year during which the change in ownership occurs or the new construction is completed. |
| §75.3  | "The roll being prepared." The roll being prepared means the roll for the fiscal year following the fiscal year in which the change in ownership occurs or the new construction is completed. |
| §75.6  | "Fiscal year." Fiscal year means a fiscal year beginning July 1 and ending June 30. |
| §75.7  | "Supplemental roll." Supplemental roll means the roll prepared or amended in accordance with the provisions of this chapter and containing properties which have changed ownership or had new construction completed. |
| §75.8  | "New base year value." New base year value means the full cash value of property on the date it changes ownership or of new construction on the date it is completed. |
| §75.9  | "Taxable value." Taxable value means the base year full value adjusted for any given lien date as required by law or the full cash value for the same date, whichever is less. In the case of real property which, prior to the date of the change in ownership or completion of new construction, was assessed by the board pursuant to section 19 of article XIII of the California Constitution, "taxable value" means that portion of the state-assessed value determined by the board to be properly allocable to the property which is subject to the supplemental assessment. |
§75.10 **New base year value.** (a) Commencing with the 1983-84 assessment year and each assessment year thereafter, whenever a change in ownership or new construction is completed, the assessor shall appraise the property changing ownership or the new construction at its full cash value on the date the change in ownership occurs or the new construction is completed. The value so determined shall be the new base year value of the property or the new construction.

§75.11 **Supplemental assessments.** (a) If the change in ownership occurs on or after January 1 but on or before May 31, then there shall be two supplemental assessments placed on the supplemental roll. The first supplemental assessment shall be the difference between the new base year value and the taxable value on the current roll. In the case of a change in ownership of the full interest in the real property, the second supplemental assessment shall be the difference between the new base year value and the taxable value to be enrolled on the roll being prepared. If it is a change in ownership of only a partial interest in the real property, the second supplemental assessment shall be the difference between the sum of the new base year value of the portion transferred plus the taxable value on the roll being prepared of the remainder of the property and the taxable value on the roll being prepared of the whole property.

(b) If the change in ownership occurs on or after June 1 but before the succeeding January 1, then the supplemental assessment placed on the supplemental roll shall be the difference between the new base year value and the taxable value on the current roll.

(c) If there are multiple changes in ownership, with respect to the same real property during the same assessment year, then there shall be a net supplemental assessment placed on the supplemental roll, in addition to the assessment pursuant to subdivision (a) or (b).

(d) No supplemental assessment authorized by this section shall be valid, or have any force or effect, unless it is placed on the supplemental roll on or before the applicable date specified in as follows:

(1) The fourth July 1 following the July 1 of the assessment year in which the event giving rise to the supplemental assessment occurred.
(2) The eighth July 1 following the July 1 of the assessment year in which the event giving rise to the supplemental assessment occurred, if the penalty provided for in section 504 is added to the assessment.
(3) The eighth July 1 following the July 1 of the assessment year in which the event giving rise to the supplemental assessment occurred, if the change in ownership was unrecorded and a change in ownership statement required by section 480 or preliminary change in ownership report, as required by section 480.3, was not timely filed.
(4) Notwithstanding the above, there shall be no limitations period on making a supplemental assessment, if the penalty provided for in section 503 is added to the assessment.

(e) If, before the expiration of the applicable period specified in subdivision (d) for making a supplemental assessment, the taxpayer and the assessor agree in writing to extend the period for making a supplemental assessment, correction, or claim for refund, a supplemental assessment may be made at any time prior to the expiration of that extended period. The extended period may be further extended by successive written agreements entered into prior to the expiration of the most recent extension.

### §75.18

**Application of inflation rate.** On or after July 1, 1997, if the actual date of the most recent change in ownership or completion of new construction entered on the supplemental roll occurs between January 1 and June 30, then the new base year value shall be adjusted on the January 1 following the change in ownership or completion of new construction by the inflation factor, which shall be determined as provided in subdivision (a) of section 51.

### §75.31

**Notice to assessee.** (a) Whenever the assessor has determined a new base year value as provided in section 75.10, the assessor shall send a notice to the assessee showing the following:

1. The new base year value of the property that has changed ownership, or the new base year value of the completed new construction that shall be added to the existing taxable value of the remainder of the property.
2. The taxable value appearing on the current roll, and if the change in ownership or completion of new construction occurred between January 1 and May 31, the taxable value on the roll being prepared.
3. The date of the change in ownership or completion of new construction.
4. The amount of the supplemental assessments.
5. The exempt amount, if any, on the current roll or the roll being prepared.
6. The date the notice was mailed.
7. A statement that the supplemental assessment was determined in accordance with article XIII A that generally requires reappraisal of property whenever a change in ownership occurs or property is newly constructed.

(b) In addition to the information specified in subdivision (a), the notice shall inform the assessee of the procedure for filing a claim for
exemption that is to be filed within 30 days of the date of the notice.

(c)(1) The notice shall advise the assessee of the right to an informal review and the right to appeal the supplemental assessment, and, unless subject to paragraph (2) or (3), that the appeal shall be filed within 60 days of the date of mailing printed on the notice or the postmark date therefore, whichever is later. For the purposes of equalization proceedings, the supplemental assessment shall be considered an assessment made outside of the regular assessment period as provided in section 1605.

(2) For counties in which the board of supervisors has adopted the provisions of subdivision (c) of section 1605, and the County of Los Angeles, the notice shall advise the assessee of the right to appeal the supplemental assessment, and that the appeal shall, except as provided in paragraph (3), be filed within 60 days of the date of mailing printed on the tax bill or the postmark date thereof, whichever is later. For the purposes of equalization proceedings, the supplemental assessment shall be considered an assessment made outside of the regular assessment period as provided in section 1605.

(3)(A) If the taxpayer does not receive a notice in accordance with paragraph (1) at least 15 days prior to the deadline to file the application described in section 1603, the affected party or his or her agent may file an application within 60 days of the date of mailing printed on the tax bill or the postmark, thereof, whichever is later, along with an affidavit declaring under penalty of perjury that the notice was not timely received.

(B) Notwithstanding any other provision of this subdivision, an application for reduction in a supplemental assessment may be filed within 12 months following the month in which the assessee is notified of that assessment, if the affected party or his or her agent and the assessor stipulate that there is an error in assessment as the result of the exercise of the assessor's judgment in determining the full cash value of the property and a written stipulation as to the full cash value and the assessed value is filed in accordance with section 1607.

(d) The notice shall advise the assessee of both of the following:

(1) The requirements, procedures, and deadlines with respect to an application for the reduction of a base year value pursuant to section 80, or the reduction of an assessment pursuant to section 1603.

(2) The criteria under section 51 for the determination of taxable value, and the requirement of section 1602 that the custodial
officer of the local roll make the roll, or a copy thereof, available for inspection by all interested parties during regular office hours.

(e) The notice shall advise the assesseee that if the supplemental assessment is a negative amount the auditor shall make a refund of a portion of taxes paid on assessments made on the current roll, or the roll being prepared, or both.

(f) The notice shall be furnished by the assessor to the assesseee by regular United States mail directed to the assesseee at the assesseee's latest address known to the assessor.

(g) The notice given by the assessor under this section shall be on a form approved by the State Board of Equalization.

§ 75.32 Failure to receive notice. The failure of the assesseee to receive a notice required by section 75.31 shall not affect the validity of any assessment or the validity of any taxes levied.

§ 110 "Full cash value." (a) Except as is otherwise provided in section 110.1, "full cash value" or "fair market value" means the amount of cash or its equivalent that property would bring if exposed for sale in the open market under conditions in which neither buyer nor seller could take advantage of the exigencies of the other, and both the buyer and the seller have knowledge of all of the uses and purposes to which the property is adapted and for which it is capable of being used, and of the enforceable restrictions upon those uses and purposes.

(b) For purposes of determining the "full cash value" or "fair market value" of real property, other than possessory interests, being appraised upon a purchase, "full cash value" or "fair market value" is the purchase price paid in the transaction unless it is established by a preponderance of the evidence that the real property would not have transferred for that purchase price in an open market transaction. The purchase price shall, however, be rebuttably presumed to be the "full cash value" or "fair market value" if the terms of the transaction were negotiated at arm's length between a knowledgeable transferor and transferee neither of which could take advantage of the exigencies of the other. There is a rebuttable presumption that the value of improvements financed by the proceeds of an assessment resulting in a lien imposed on the property by a public entity (a bond) is reflecting in the total consideration, exclusive of that lien amount, involved in the transaction. This presumption may be overcome if the assessor establishes by a preponderance of the evidence that all or a portion of the value of those improvements is not reflected in that consideration. If a single transaction results in a change in ownership of more than one parcel of real property, the purchase price shall be
allocated among those parcels and other assets, if any, transferred based on the relative fair market value of each.

§110.1 "Full cash value" under article XIII A. (a) Full cash value of real property, including possessory interests in real property, means the fair market value as determined pursuant to section 110 for either of the following:

(1) The 1975 lien date, or
(2) The date on which a purchase or change in ownership occurred after the 1975 lien date. The full cash value determined shall be known as the base year value for the property.

(b) The value determined under subdivision (a) shall be known as the base year value for the property.

§110.5 "Full value." Full value means fair market value, full cash value, or such other value standard as is prescribed by the Constitution or in this code under the authorization of the Constitution.

§115 "Interest" in property. Interest in any property includes any legal or equitable interest.

§117 "Lien date." Lien date is the time when taxes for any fiscal year become a lien on property.

§118 "Assessment year." Assessment year means the period beginning with a lien date and ending immediately prior to the succeeding lien date for taxes levied by the same agency.

§125 "Current roll." Current roll means the roll containing the property on which current taxes are a lien.

§135 "Assessed value"; "tax rate." (a) Assessed value shall mean 25 percent of full value to and including the 1980-81 fiscal year, and shall mean 100 percent of full value for the 1981-82 fiscal year and fiscal years thereafter.

(b) Tax rate shall mean a rate based on a 25 percent assessment ratio and expressed as dollars, or fractions thereof, for each one hundred dollars ($100) of assessed valuation to and including the 1980-81 fiscal year, and shall mean a rate expressed as a percentage of full value for the 1981-82 fiscal year and fiscal years thereafter.

§155.20 Exemption of property having low value. (a) A county board of supervisors may exempt from property tax all real property with a base year value and personal property with a full value so low that, if not
exempt, the total taxes, special assessments, and applicable subventions on the property would amount to less than the cost of assessing and collecting them.

(b)(1) The board of supervisors shall have no authority to exempt property with a total base year value or full value of more than ten thousand dollars ($10,000), except this limitation is increased to fifty thousand dollars ($50,000) in the case of a possessory interest, for a temporary and transitory use, in a publicly owned fairground, fairground facility, convention facility, or cultural facility.

(2) In determining the level of the exemption, the board of supervisors shall determine at what level of exemption the costs of assessing the property and collecting taxes, assessments, and subventions on the property exceeds the proceeds to be collected. The board of supervisors shall establish the exemption level uniformly for different classes of property. In making this determination, the board of supervisors may consider the total taxes, special assessments, and applicable subventions for the year of assessment only or for the year of assessment and succeeding years where cumulative revenues will not exceed the cost of assessments and collections.

(c) This section does not apply to those real or personal properties enumerated in section 52.

(d) The exemption authorized by this section shall be adopted by the board of supervisors on or before the lien date for the fiscal year to which the exemption is to apply and may, at the option of the board of supervisors, continue in effect for succeeding fiscal years. Any revision or rescission of the exemption shall be adopted by the board of supervisors on or before the lien date for the fiscal year to which that revision or rescission is to apply.

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| §201 | Taxable property. All property in this State, not exempt under the laws of the United States or of this State, is subject to taxation under this code. |
| §401 | Ratio of assessed to full value. Every assessor shall assess all property subject to general property taxation at its full value. |
| §401.3 | Assessment according to value on lien date. The assessor shall assess all property subject to general property taxation on the lien date as provided in articles XIII and XIIIa of the Constitution and any legislative authorization thereunder. |
| §401.4 | Valuation of owner-occupied single-family dwelling. When valuing an owner-occupied single-family dwelling and the land on which it is |
situated that may be required for the convenient occupation and use of such dwelling, if such dwelling is on land which is zoned exclusively for single-family home use or which is zoned for agricultural use where single-family homes are permitted, the assessor shall not value the land at any value greater than that which would reflect the use of the land as a site for a single-family dwelling.

As used in this section, owner-occupied single-family dwelling means any single-family dwelling occupied by an owner thereof as his principal place of residence on the lien date.

§401.6 **Entrepreneurial profit.** (a) In any case in which the cost approach method is used to value special use property for purposes of taxation, the assessor shall not add a component for entrepreneurial profit unless he or she has market-derived evidence that entrepreneurial profit exists and has not been fully offset by physical deterioration or economic obsolescence.

(b) For purposes of this section:

(1) "Entrepreneurial profit" means either of the following:

(A) The amount a developer would expect to recover with respect to a property in excess of the amount of the developer's costs incurred with respect to that property, or

(B) The difference between the fair market value of a property and the total costs incurred with respect to that property.

(2) "Total costs" means both direct costs of construction, including, but not limited to, the costs of land, building materials, and labor; and indirect costs of construction, including, but not limited to, the costs of construction capital and permit fees.

(3) "Special use property" means a limited market property with a unique physical design, special construction materials, or a layout that restricts its utility to the use for which it was built.

§402 **Cultivated and uncultivated land.** Cultivated and uncultivated land of the same quality and similarly situated shall be assessed at the same value.

§402.1 **Land use restrictions.** (a) In the assessment of land, the assessor shall consider the effect upon value of any enforceable restrictions to which the use of the land may be subjected.

(b) There is a rebuttable presumption that restrictions will not be removed or substantially equate the value of the land to the value
attributable to the legally permissible use or uses.

(c) Grounds for rebutting the presumption may include, but are not necessarily limited to, the past history of like use restrictions in the jurisdiction in question and the similarity of sale prices for restricted and unrestricted land. The possible expiration of a restriction at a time certain shall not be conclusive evidence of the future removal or modification of the restriction unless there is no opportunity or likelihood of the continuation or renewal of the restriction, or unless a necessary party to the restriction has indicated an intent to permit its expiration at that time.

(d) In assessing land with respect to which the presumption is unrebuted, the assessor shall not consider sales of otherwise comparable land not similarly restricted as to use as indicative of value of land under restriction, unless the restrictions have a demonstrably minimal effect upon value.

(e) In assessing land under an enforceable use restriction wherein the presumption of no predictable removal or substantial modification of the restriction has been rebutted, but where the restriction nevertheless retains some future life and has some effect on present value, the assessor may consider, in addition to all other legally permissible information, representative sales of comparable lands that are not under restriction but upon which natural limitations have substantially the same effect as restrictions.

§402.3 Restrictive covenants or restrictions. An assessor shall consider any restrictive covenant, easement, restriction, or servitude adopted pursuant to section 25202.5, 25222.1, or 25355.5 of the Health and Safety Code or any restriction, easement, covenant, or servitude imposed pursuant to section 25230 of the Health and Safety Code as an enforceable restriction, easement, covenant, or servitude subject to section 402.1 and shall appropriately reassess any land, the use of which has been so restricted, at the lien date following the adoption or imposition of the covenant, easement, servitude, or restriction.

§402.5 Comparable sales. When valuing property by comparison with sales of other properties, in order to be considered comparable, the sales shall be sufficiently near in time to the valuation date, and the properties sold shall be located sufficiently near the property being valued, and shall be sufficiently alike in respect to character, size, situation, usability, zoning or other legal restriction as to use unless rebutted pursuant to section 402.1, to make it clear that the properties sold and the properties being valued are comparable in value and that the cash equivalent price realized for the properties sold may fairly be considered as shedding light on the value of the property being valued. "Near in time to the valuation date"
does not include any sale more than 90 days after the lien date.

| §402.9 | **Low-income housing; subsidy payments.** In valuing property for persons of low and moderate income that is financed under section 236 or section 515 of the federal National Housing Act, since federal restrictions accompanying these programs substantially affect actual income and expenses of the property owner, the assessor shall not consider as income any interest subsidy payments made to a lender on that property by the federal government. |
| §402.95 | **Low-income housing; tax credits.** In valuing property under the income method of appraisal, the assessor shall exclude from income the benefit from federal and state low-income housing tax credits allocated by the California Tax Credit Allocation Committee pursuant to section 42 of the Internal Revenue Code and sections 12206, 17058, and 23610.5. |
| §408.1 | **List of transfers.** (a) The assessor shall maintain a list of transfers of any interest in property, other than undivided interests, within the county, which have occurred within the preceding two-year period.

(b) The list shall be divided into geographical areas and shall be revised on the 30th day of each calendar quarter to include all such transactions which are recorded as of the preceding quarter.

(c) The list shall contain the following information:
   (1) Transferor and transferee (if available);
   (2) Assessor's parcel number (APN);
   (3) Address of the sales property (situs address);
   (4) Date of transfer;
   (5) Date of recording and recording reference number;
   (6) Where it is known by the assessor, the consideration paid for the property;
   (7) Additional information which the assessor in his discretion may wish to add to carry out the purpose and intent of this section.

(d) The list shall be open to inspection by any person. The assessor may require the payment of a nonrefundable fee equal to an amount which would reimburse local agencies for their actual administrative costs incurred in such inspections or ten dollars ($10), whichever is the lesser amount.

(e) The provisions of this section shall not apply to any county with a population of under 50,000 people, as determined by the 1970 federal decennial census.
(f) Pursuant to section 481, the assessor shall not include information on the list which was furnished in the change in ownership statement by the transferee and is not otherwise public information.

| §408.3 | Property characteristics information; public records. (a) Except as otherwise provided in sections 451 and 481, and in section 6254 of the Government Code, property characteristics information maintained by the assessor is a public record and shall be open to public inspection.

(b) For purposes of this section, "property characteristics," includes, but is not limited to, the year of construction of improvements to the property, their square footage, the number of bedrooms and bathrooms of all dwellings, the property's acreage, and other attributes of or amenities to the property, such as swimming pools, zoning classifications or restrictions, use code designations, and the number of dwelling units of multiple family properties.

(c) Notwithstanding section 6257 of the Government Code or any other provision of law, if the assessor provides property characteristics information at the request of any party, the assessor may require that a fee reasonably related to the actual cost of developing and providing the information be paid by the party receiving the information.

The actual cost of providing the information is not limited to duplication or production costs, but may include recovery of developmental and indirect costs, as overhead, personnel, supply, material, office, storage, and computer costs. All revenue collected by the assessor for providing information under this section shall be used solely to support, maintain, improve, and provide for the creation, retention, automation, and retrieval of assessor information.

(d) The Legislature finds and declares that information concerning property characteristics is maintained solely for assessment purposes and is not continuously updated by the assessor. Therefore, neither the county nor the assessor shall incur any liability for errors, omissions, or approximations with respect to property characteristics information provided by the assessor to any party pursuant to this section. Further, this subdivision shall not be construed to imply liability on the part of the county or the assessor for errors, omissions, or other defects in any other information or records provided by the assessor pursuant to the provisions of this part.

| §441 | Property statement; other information. (d) (1) At any time, as required by the assessor for assessment purposes, every person shall make available for examination information or records regarding his or her property or any other personal property located on premises he or she
owns or controls. In this connection details of property acquisition transactions, construction and development costs, rental income, and other data relevant to the determination of an estimate of value are to be considered as information essential to the proper discharge of the assessor’s duties.

(2) (A) This subdivision shall also apply to an owner-builder or an owner-developer of a new construction that is sold to a third party, is constructed on behalf of a third party, or is constructed for the purpose of selling that property to a third party.

(B) The owner-builder or owner-developer of new construction described in subparagraph (A), shall, within 45 days of receipt of a written request by the assessor for information or records, provide the assessor with all information and records regarding that property. The information and records provided to the assessor shall include the total consideration provided either by the purchaser or on behalf of the purchaser that was paid or provided either, as part of or outside of the purchase agreement, including, but not limited to, consideration paid or provided for the purchase or acquisition of upgrades, additions, or for any other additional or supplemental work performed or arranged for by the owner-builder or owner-developer on behalf of the purchaser.

§465 Destroying documents. (a) Except as provided in subdivision (b), the assessor may destroy any document when six years have elapsed since the lien date for the tax year for which that document was obtained. Documents may be destroyed immediately upon preservation in a medium that provides access to the documents such as microfilm, microfiche, electronic document imaging, or other media that captures a true image of the document that may later be retrieved.

§481 Information held secret. All information requested by the assessor or the board pursuant to this article or furnished in the change in ownership statement shall be held secret by the assessor and the board. All information furnished in either the preliminary change in ownership statement or the change in ownership statement shall be held secret by those authorized by law to receive or have access to this information. These statements are not public documents and are not open to inspection, except as provided in section 408.

§503 Fraudulent act, collusion, causing escape of taxable tangible property. If any taxpayer or the taxpayer's agent through a fraudulent act or omission causes, or if any fraudulent collusion between the taxpayer or the taxpayer's agent and the assessor or any of the assessor's deputies causes, any taxable tangible property to escape assessment in whole or in part, or to be underassessed, the assessor shall assess the property in the
lawful amount and add a penalty of 75 percent of the additional assessed value so assessed.

§531 Escaped property. If any property belonging on the local roll has escaped assessment, the assessor shall assess the property on discovery at its value on the lien date for the year for which it escaped assessment. It shall be subject to the tax rate in effect in the year of its escape except as provided in section 2905.

Property shall be deemed to have escaped assessment when its owner fails to file a property statement pursuant to the provisions of section 441, to the extent that this failure results in no assessment or an assessment at a valuation lower than would have obtained had the property been properly reported. Escape assessments made as the result of an owner's failure to file a property statement as herein provided shall be subject to the penalty and interest imposed by sections 463 and 506, respectively.

§531.2 Escaped real property. (a) When the property is real property which subsequent to July 1 of the year of escape for purposes of this article, or subsequent to July 1 of the year in which the property should have been lawfully assessed, for purposes of Article 3 (commencing with section 501), but prior to the date of that assessment and the showing thereof on the secured roll, with the date of entry specified thereon, has (1) been transferred or conveyed to a bona fide purchaser for value, or (2) become subject to lien of a bona fide encumbrance for value, the escape assessment pursuant to either of these articles shall not create or impose a lien or charge on that real property, but shall be entered on the unsecured roll in the name of the person who would have been the assessee in the year in which it escaped assessment and shall thereafter be treated and collected like other taxes on that roll. The tax rate applicable shall be the secured tax rate of the year in which the property escaped assessment.

(b) If the real property escaped assessment as a result of an unrecorded change in ownership or change in control for which a change in ownership statement required by section 480, 480.1, or 480.2, or a preliminary change in ownership report, pursuant to section 480.3, is not filed, the assessor shall appraise the property as of the date of transfer and enroll the difference in taxable value for each of the subsequent years on the secured roll, with the date of entry specified thereon. However, if prior to the date of the assessment the property has (1) been transferred or conveyed to a bona fide purchaser for value, or (2) become subject to a lien of a bona fide encumbrance for value, the escape assessment pursuant to this paragraph shall not create or impose a lien or charge on that real property, but shall be entered on the unsecured roll in the name of the person who would have been the assessee in the year in which it escaped assessment and shall thereafter be treated and collected like other
taxes on that roll. The tax rate applicable shall be the secured rate of the year in which the property escaped assessment. "Assessment year" means the period defined in section 118.

In the event of a failure to file a change in ownership statement required by section 480, 480.1, or 480.2, or a preliminary change in ownership report, pursuant to section 480.3, the interest provided in section 506 may, by the order of the board of supervisors, be added.

(c)(1) Taxes resulting from escape assessments shall be prorated pursuant to paragraphs (2) to (5), inclusive, only if the board of supervisors of a county has adopted a resolution specifying that taxes shall be prorated pursuant to this subdivision.

(2) When real property has been transferred or conveyed to a bona fide purchaser for value subsequent to July 1 of the year of escape for purposes of this article, or subsequent to July 1 of the year in which the property should have been lawfully assessed, for purposes of Article 3 (commencing with section 501), taxes resulting from escape assessments pursuant to this section shall be prorated between the following:

(A) The person who would have been the assessee if the change in ownership had not occurred.
(B) The person who purchased the property.

(3) If the real property has been transferred or conveyed to a bona fide purchaser for value more than once during the year of escape or assessment, each owner of record during that period shall be liable for a pro rata share of taxes based on the length of time during that period each bona fide purchaser was the record owner of that real property.

(4) When the assessor has identified the fact and amount of the escape assessment, the assessor shall identify the owners of record during the year of escape or assessment and the dates of ownership for each owner.

(5) The auditor shall compute the respective prorated shares of taxes for each owner of record. The share of taxes of the current owner of the real property shall be placed on the secured roll as a lien on the parcel for which the escaped assessment was discovered. The share of taxes of any previous owner during the year of escape or assessment shall be entered on the unsecured roll.

§531.8 Notice of Proposed Escape Assessment. No escape assessment shall be enrolled under this article before 10 days after the assessor has mailed or otherwise delivered to the affected taxpayer a "Notice of Proposed Escape Assessment" with respect to one or more specified tax years. The
notice shall prominently display on its face the following heading:

"NOTICE OF PROPOSED ESCAPE ASSESSMENT"

The notice shall contain all of the following:

(a) The amount of the proposed escape assessments for each tax year at issue.
(b) The telephone number of the assessor's office to allow a taxpayer to contact that office with respect to the proposed escape assessment or assessments.

§531.9 Escape assessment; low value exemption. A county board of supervisors may, by ordinance, prohibit an assessor from making an escape assessment of an appraisal unit where that assessment would result in an amount of taxes due which is less than the cost of assessing and collecting them. In no event may the ordinance apply to any escape assessment of an appraisal unit if the amount of taxes resulting from the escape assessment would exceed fifty dollars ($50).

§532 Statute of limitations. (a) Except as provided in subdivision (b), any assessment made pursuant to either article 3 or this article (article 4) shall be made within four years after July 1 of the assessment year in which the property escaped taxation or was underassessed.

(b)(1) Any assessment to which the penalty provided for in section 504 must be added shall be made within eight years after July 1 of the assessment year in which the property escaped taxation or was underassessed.

(2) Any assessment resulting from an unrecorded change in ownership for which either a change in ownership statement, as required by section 480, or preliminary change in ownership report, as required by section 480.3, is not timely filed with respect to the event giving rise to the escape assessment or underassessment shall be made within eight years after July 1 of the assessment year in which the property escaped taxation or was underassessed.

(3) In the case where property has escaped taxation, in whole or in part, or has been underassessed, following a change in ownership or change in control and either the penalty provided for in section 503 must be added or a change in ownership statement, as required by section 480.1 or 480.2 was not filed with respect to the event giving rise to the escape assessment or underassessment, an escape assessment shall be made for each year in which the property escaped taxation or was underassessed.
Procedure after assessment. (a) Assessments made pursuant to Article 3 (commencing with section 501) or this article shall be treated like, and taxed at the same rate applicable to, property regularly assessed on the roll on which it is entered, unless the assessment relates to a prior year and then the tax rate of the prior year shall be applied, except that the tax rate for years prior to the 1981-82 fiscal year shall be divided by four.

(b) No assessment described in subdivision (a) shall be effective for any purpose, including its review, equalization and adjustment by the Board of Equalization, until the assessee has been notified thereof personally or by United States mail at his or her address as contained in the official records of the county assessor. For purposes of section 532, the assessment shall be deemed made on the date on which it is entered on the roll pursuant to section 533, if the assessee is notified of the assessment within 60 days after the statute of limitations or the placing of the escape assessment on the assessment roll. Otherwise the assessment shall be deemed made only on the date the assessee is so notified.

(c) The notice given by the assessor pursuant to this section shall include all of the following:

(1) The date the notice was mailed.
(2) Information regarding the assessee's right to an informal review and the right to appeal the assessment, and except in a case in which paragraph (3) applies, that the appeal shall be filed within 60 days of the date of mailing printed on the notice or the postmarked date therefore, whichever is later. For the purposes of equalization proceedings, the assessment shall be considered an assessment made outside of the regular assessment period as provided in section 1605.
(3) For counties in which the board of supervisors has adopted a resolution in accordance with subdivision (c) of section 1605, and the County of Los Angeles, receipt by the assessee of a tax bill based on that assessment shall suffice as notice under this section if the tax bill advises the assessee of the right to appeal the assessment, and that the appeal shall be filed within 60 days of the date of mailing printed on the tax bill or the postmark therefore, whichever is later. For the purposes of equalization proceedings, the assessment shall be considered an assessment made outside of the regular assessment period as provided in section 1605.
(4) A description of the requirements, procedures, and deadlines with respect to an application for the reduction of an assessment pursuant to section 1605.

(d)(1) The notice given by the assessor under this section shall be on a
form approved by the board.

(2) Giving of the notice required by section 531.8 shall not satisfy the requirements of this section.

| §607 | **Land and improvements.** Land and improvements thereon shall be separately assessed. |
| §608 | **Improvements.** Improvements shall be assessed by the assessor by showing their value opposite the description of the parcel of land on which they are located, if they are assessed to the same assessee. |
| §609 | **Improvements on exempt land.** Taxable improvements on land exempt from taxation shall be shown like other real estate on the roll. Value shall not be assessed against the exempt land and the land does not become responsible for the assessment made against the taxable improvements. |
**Rule 2**

**The Value Concept.** (a) The words full value, full cash value, cash value, actual value, and fair market value mean the price at which a property, if exposed for sale in the open market with a reasonable time for the seller to find a purchaser, would transfer for cash or its equivalent under prevailing market conditions between parties who have knowledge of the uses to which the property may be put, both seeking to maximize their gains and neither being in a position to take advantage of the exigencies of the other.

(b) When valuing real property as the result of a change in ownership for consideration, it shall be rebuttably presumed that the consideration valued in money, whether paid in money or otherwise, is the full cash value of the property. The presumption shall shift the burden of proving value by a preponderance of the evidence to the party seeking to overcome the presumption. The presumption may be rebutted by evidence that the full cash value of the property is significantly more or less than the total cash equivalent of the consideration paid for the property. A significant deviation means a deviation of more than 5 percent of the total consideration.

(c) This presumption shall not apply to:

1. The transfer of any taxable possessory interest.
2. The transfer of real property when the consideration is in whole, or in part, in the form of ownership interests in a legal entity (such as shares of stock) or the change in ownership occurs as the result of the acquisition of ownership interests in a legal entity.
3. The transfer of real property when the information prescribed in the change in ownership statement is not timely provided.

(d) If a single transaction results in a change in ownership of more than one parcel of real property, the purchase price shall be allocated among those parcels and other assets, if any, transferred based on the relative fair market value of each.

**Rule 3**

**Value Approaches.** In estimating value, the assessor shall consider one or more of the following:

(a) The price or prices at which the property and comparable properties have recently sold (the comparable sales approach).

(b) The prices at which fractional interests in the property or comparable properties have recently sold, and the extent to which such prices would have been increased had there been no prior claims on the assets (the
(c) The cost of replacing reproducible property with new property of similar utility, or of reproducing the property at its present site and at present price levels, less the extent to which the value has been reduced by depreciation, including both physical deterioration and obsolescence (the replacement or reproduction cost approach).

(d) If the income from the property is regulated by law and the regulatory agency uses historical cost or historical cost less depreciation as a rate base, the amount invested in the property or the amount invested less depreciation computed by the method employed by the regulatory agency (the historical cost approach).

(e) The amount that investors would be willing to pay for the right to receive the income that the property would be expected to yield, with the risks attendant upon its receipt (the income approach).

| Rule 4 | The Comparative Sales Approach To Value. When reliable market data are available with respect to a given real property, the preferred method of valuation is by reference to sale prices. In using sale prices of the appraisal subject or of comparable properties to value a property, the assessor shall:

|  | (a) Convert a noncash sale price to its cash equivalent by estimating the value in cash of any tangible or intangible property other than cash which the seller accepted in full or partial payment for the subject property and adding it to the cash portion of the sale price and by deducting from the nominal sale price any amount which the seller paid in lieu of interest to a lender who supplied the grantee with part or all of the purchase money.

|  | (b) When appraising an unencumbered-fee interest, (a) convert the sale price of a property encumbered with a debt to which the property remained subject to its unencumbered-fee price equivalent by adding to the sale price of the seller's equity the price for which it is estimated that such debt could have been sold under value-indicative conditions at the time the sale price was negotiated, and (b) convert the sale price of a property encumbered with a lease to which the property remained subject to its unencumbered-fee price equivalent by deducting from the sale price of the seller's equity the amount by which it is estimated that the lease enhanced that price or adding to the price of the seller's equity the amount by which it is estimated that the lease depressed that price.

|  | (c) Convert a sale to the valuation date of the subject property by adjusting it for any change in price level of this type of property that has occurred between the time the sale price was negotiated and the valuation
(d) Make such allowances as he deems appropriate for differences between a comparable property at the time of sale and the subject property on the valuation date, in physical attributes of the properties, location of the properties, legally enforceable restrictions on the properties' use, and the income and amenities which the properties are expected to produce. When the appraisal subject is land and the comparable property is land of smaller dimensions, and it is assumed that the subject property would be divided into comparable smaller parcels by a purchaser, the assessor shall allow for the cost of subdivision, for the area required for streets and alleys, for selling expenses, for normal profit, and for interest charges during the period over which it is anticipated that the smaller properties will be marketed.

Rule 6

The Reproduction And Replacement Cost Approaches To Value.

(a) The reproduction or replacement cost approach to value is used in conjunction with other value approaches and is preferred when neither reliable sales data (including sales of fractional interests) nor reliable income data are available and when the income from the property is not so regulated as to make such cost irrelevant. It is particularly appropriate for construction work in progress and for other property that has experienced relatively little physical deterioration, is not misplaced, is neither over- nor underimproved, and is not affected by other forms of depreciation or obsolescence.

(b) The reproduction cost of a reproducible property may be estimated either by (1) adjusting the property's original cost for price level changes and for abnormalities, if any, or (2) applying current prices to the property's labor and material components, with appropriate additions for entrepreneurial services, interest on borrowed or owner-supplied funds, and other costs typically incurred in bringing the property to a finished state (or to a lesser state if unfinished on the lien date). Estimates made under (2) above may be made by using square-foot, cubic-foot, or other unit costs; a summation of the in-place costs of all components; a quantity survey of all material, labor, and other cost elements; or a combination of these methods.

(c) The original cost of reproducible property shall be adjusted, in the aggregate or by groups, for price level changes since original construction by multiplying the cost incurred in a given year by an appropriate price index factor. When detailed investment records are unavailable for earlier years or when only a small percentage of the total investment is involved, the investments in such years may be lumped and factored to present price levels by means of an index number that represents the assessor's best judgment of the weighted average price change. If the property was not new when acquired by its present owner
and its original cost is unknown, its acquisition cost may be substituted for original cost in the foregoing calculations.

(d) The replacement cost of a reproducible property may be estimated as indicated in (b)(2) of this section by applying current prices to the labor and material components of a substitute property capable of yielding the same services and amenities, with appropriate additions as specified in (b)(2).

(e) Reproduction or replacement cost shall be reduced by the amount that such cost is estimated to exceed the current value of the reproducible property by reason of physical deterioration, misplacement, over- or underimprovement, and other forms of depreciation or obsolescence. The percentage that the remainder represents of the reproduction or replacement cost is the property's percent good.

(f) When the allowance made pursuant to paragraph (e) exceeds the amount included in the depreciation tables used by the assessor, the reasons therefore shall be noted in the appraisal record for the property and the amount thereof shall be ascertainable from the record.

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**Rule 8**

**The Income Approach To Value.** (a) The income approach to value is used in conjunction with other approaches when the property under appraisal is typically purchased in anticipation of a money income and either has an established income stream or can be attributed a real or hypothetical income stream by comparison with other properties. It is the preferred approach for the appraisal of land when reliable sales data for comparable properties are not available. It is the preferred approach for the appraisal of improved real properties and personal properties when reliable sales data are not available and the cost approaches are unreliable because the reproducible property has suffered considerable physical depreciation, functional obsolescence or economic obsolescence, is a substantial over- or underimprovement, is misplaced or is subject to legal restrictions on income that are unrelated to cost.

(b) Using the income approach, an appraiser values an income property by computing the present worth of a future income stream. This present worth depends upon the size, shape, and duration of the estimated stream and upon the capitalization rate at which future income is discounted to its present worth. Ideally, the income stream is divided into annual segments and the present worth of the total income stream is the algebraic sum (negative items subtracted from positive items) of the present worth of the several segments. In practical application, the stream is usually either:

(1) Divided into longer segments, such as the estimated economic life of the improvements and all the time thereafter or the estimated economic
life of the improvements and the year in which the improvements are scrapped and the land is sold, or
(2) Divided horizontally by projecting a perpetual income for land and an income for the economic life of the improvements, or
(3) Projected as a level perpetual flow.

(c) The amount to be capitalized is the net return which a reasonably well informed owner and reasonably well informed buyers may anticipate on the valuation date that the taxable property existing on that date will yield under prudent management and subject to such legally enforceable restrictions as such persons may foresee as of that date. Net return, in this context, is the difference between gross return and gross outgo. Gross return means any money or money's worth which the property will yield over and above vacancy and collection losses, including ordinary income, return of capital, and the total proceeds from sales of all or part of the property. Gross outgo means any outlay of money or money's worth, including current expenses and capital expenditures (or annual allowances therefore) required to develop and maintain the estimated income. Gross outgo does not include amortization, depreciation, or depletion charges, debt retirement, interest on funds invested in the property, or rents and royalties payable by the assessee for use of the property. Property taxes, corporation net income taxes, and corporation franchise taxes measured by net income are also excluded from gross outgo.

(d) In valuing property encumbered by a lease, the net income to be capitalized is the amount the property would yield were it not so encumbered, whether this amount exceeds or falls short of the contract rent and whether the lessor or the lessee has agreed to pay the property tax.

(e) Recently derived income and recently negotiated rents or royalties (plus any taxes paid on the property by the lessee) of the subject property and comparable properties should be used in estimating the future income if, in the opinion of the appraiser, they are reasonably indicative of the income the property will produce in its highest and best use under prudent management. Income derived from rental of properties is preferred to income derived from their operation since income derived from operation is the more likely to be influenced by managerial skills and may arise in part from nontaxable property or other sources. When income from operating a property is used, sufficient income shall be excluded to provide a return on working capital and other nontaxable operating assets and to compensate unpaid or underpaid management.

(f) When the appraised value is to be used to arrive at an assessed value, the capitalization rate is to include a property tax component, where applicable, equal to the estimated future tax rate for the area times the assessment ratio.
(g) The capitalization rate may be developed by either of two means:

(1) By comparing the net incomes that could reasonably have been anticipated from recently sold comparable properties with their sale prices, adjusted, if necessary, to cash equivalents (the market-derived rate). This method of deriving a capitalization rate is preferred when the required sale prices and incomes are available. When the comparable properties have similar capital gains prospects, the derived rate already includes a capital gain (or loss) allowance and the income to be capitalized should not include such a gain (or loss) at the terminus of the income estimate.

(2) By deriving a weighted average of the capitalization rates for debt and for equity capital appropriate to the California money markets (the band-of-investment method) and adding increments for expenses that are excluded from outgo because they are based on the value that is being sought or the income that is being capitalized. The appraiser shall weight the rates for debt and equity capital by the respective amounts of such capital he deems most likely to be employed by prospective purchasers.

(h) Income may be capitalized by the use of gross income, gross rent, or gross production multipliers derived by comparing sale prices of closely comparable properties (adjusted, if necessary, to cash equivalents) with their gross incomes, gross rents, or gross production.

(i) The provisions of this rule are not applicable to lands defined as open-space lands by Chapter 1711, Statutes of 1967, nor are they applicable in all respects to possessory interests.

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**Rule 121**

**Land.** Land consists of the possession of, claim to, ownership of, or right to possession of land; mines, quarries, and unextracted mineral products; unsevered vegetation of natural growth; standing timber, whether planted or of natural growth; and other perennial vegetation that is not an improvement. Where there is a reshaping of land or an adding to land itself, that portion of the property relating to the reshaping or adding to the land is land. However, where a substantial amount of other materials, such as concrete, is added to an excavation, both the excavation and the added materials are improvements, except that whenever the addition of other materials is solely for the drainage of land to render it arable or for the drainage or reinforcement of land to render it amenable to being built upon, the land, together with the added materials, remains land. In the case of property owned by a county, municipal corporation, or a public district, however, fill that is added to taxable land is an improvement.

**Rule 122**

**Improvements.** Improvements consist of buildings, structures, fixtures, and fences erected on or affixed to land; planted fruit and nut trees and
vines that are taxable, other than date palms between four and eight years of age; and planted ornamental trees and vines. Where a substantial amount of materials other than land such as concrete, is added to an excavation, both the excavation and the added materials are improvements, except that whenever the addition of other materials is solely for the drainage of land to render it arable or for the drainage or reinforcement to land to render it amenable to being built upon, the land, together with the added materials, remains land. In the case of property owned by a county, municipal corporation or a public district, fill that is added to taxable land is an improvement.

| Rule 124 | Examples. See Rule 124 for specific examples of classification of land and improvements. |
| Rule 263 | **Roll Corrections.** (a) Any error or omission not involving the exercise of value judgment which results in an incorrect entry or entries on the roll may be corrected after the roll is delivered to the auditor, provided that the correction is made within four years after the making of the assessment that is being corrected.|
|          | (1) If an error or omission not involving the exercise of value judgment is discovered as the result of an audit of a taxpayer's books and records, that error or omission may be corrected at any time prior to the expiration of six months after the completion of the audit.|
|          | (b) Any error or omission involving the exercise of value judgment that arises solely from a failure to reflect a decline in the taxable value of real property as required by section 51(a)(2) shall be corrected within one year after the making of the assessment that is being corrected.|
|          | (c) Any incorrect entry on the roll resulting from a defect of description or clerical error, as determined by the assessor upon audit, made by the assessees in the property statement or in other information or records which causes the assessor to assess taxable tangible property which was not subject to assessment or to assess taxable tangible property at a substantially higher value may be corrected under this article. The correction shall be made after the roll is delivered to the auditor within the time period for making escape assessments as provided in sections 532 and 532.1. The change to be made on the roll shall be certified to the auditor by the assessor.|
|          | (d) If a correction will increase the amount of unpaid taxes, the assessor shall notify the assessees of the procedure for obtaining review by the county board under section 1605 and the procedure for applying for cancellation under section 4986. |
(e) If a correction will decrease the amount of unpaid taxes, the consent
of the board of supervisors is necessary to make the correction.

(f) Corrections authorized under this rule shall be made by the auditor
upon delivery of the relevant information by the assessor.

(g) The provisions of this rule do not apply to escape assessments caused
by the assessor's failure to report the information required by Article 2
(commencing with section 441) of Chapter 3 of Part 2 of Division 1 of
the R&T Code, and roll corrections are not a prerequisite for escape
assessments or base year value corrections.

(h) If the roll of any taxing agency in the course of preparation is lost or
destroyed because of public calamity and is reconstructed from available
data, at any time before the declaration of default, the assessor may
correct any erroneous assessment. The assessor shall:

(1) Send certified notices of the correction to the tax collector, the
auditor, and the Controller.
(2) Enter the date and nature of the correction with reference to the
property for which the correction is being made.

(i) On receipt of satisfactory, verified, written evidence that taxes have
been entered on the secured roll as a lien on real property on which they
are not legally a lien, the assessor shall transmit the evidence and his or
her cancellation to the auditor. On direction of the board of supervisors,
the auditor shall cancel the entry as a lien on that real property and
reenter such taxes as follows:

(1) If the assessees has real property sufficient, in the assessor's opinion,
to secure the payment of the taxes, as a lien on real property.
(2) Where there is not sufficient real property to secure the taxes on
locally-assessed property, the taxes shall be placed on the unsecured roll.
In the case of state-assessed property, the taxes shall be placed on the
secured roll.

Rule 264

**Base Year Value Corrections.** (a) Notwithstanding any other provision
of the law, any error or omission in the determination of a base year
value pursuant to section 110.1(a)(2), including the failure to establish
that base year value or the determination of a change in ownership, which
does not involve the exercise of an assessor's judgment as to value, shall
be corrected in any assessment year in which the error or omission is
discovered.

(1) The existence of a clerical error shall be proved by a preponderance
of the evidence, except that if the correction is made more than four years
after July 1 of the assessment year for which the base year value was first established, the clerical error shall be proved by clear and convincing evidence, including the papers in the assessor's office.

(b) An error or an omission described in (a) which involves the exercise of an assessor's judgment as to value may be corrected only if it is placed on the current roll or roll being prepared, or is otherwise corrected, within four years after July 1 of the assessment year for which the base year value was first established. "The assessment year for which the base year value was first established" means the assessment year during which the assessor actually enrolls the new base year value resulting from a change in ownership or completion of new construction. An error or an omission involving the exercise of an assessor's judgment as to value shall not include errors or omissions resulting from the taxpayer's fraud, concealment, misrepresentation, or failure to comply with any provision of law for furnishing information required by sections 441, 470, 480, 480.1, and 480.2, or from clerical errors.

(c) If a correction authorized by (a) or (b) reduces the base year value, the assessor shall transmit the correction to the auditor by means of a notation on the roll and appropriate cancellations or refunds of tax shall be granted in accordance with Division 1, Part 9 of the R&T Code. If the correction increases the base year value, the assessor shall transmit the information regarding the correction to the auditor by means of a notation on the roll and appropriate escape assessments shall be imposed in accordance with Division 1, Part 2, Chapter 3, Article 4 of the R&T Code.

(d) For purposes of this rule:

(1) "Assessment year" means an assessment year as defined in section 118.
(2) "Clerical errors" means only those defects of a mechanical, mathematical, or clerical nature, not involving judgment as to value, where it can be shown from papers in the assessor's office or other evidence that the defect resulted in a base year value that was not intended by the assessor at the time it was determined.

Rule 460

General Application. (a) Sections 1 and 2 of Article XIII A of the Constitution provide for a limitation on property taxes and a procedure for establishing the current taxable value of locally assessed real property by reference to a base year full cash value which is then modified annually to reflect increase in the inflation rate not to exceed two percent per year or declines in value from whatever cause.

(b) The following definitions govern the construction of the terms in the
rules pertaining to sections 1 and 2 of Article XIII A.

(1) BASE YEAR. The assessment year 1975-76 serves as the original base year. Thereafter, any assessment year in which real property, or a portion thereof, is purchased, is newly constructed, or changes ownership shall become the base year used in determining the full value for such real property, or a portion thereof.

(2) FULL CASH VALUE. (A) The full cash value of real property means:

1. The "full cash value" as defined in section 110.1, as of the lien date 1975 for properties with a 1975-76 base year, or
2. The "full cash value" as defined in section 110 as of the date such real property is purchased, is newly constructed, or changes ownership after the 1975 lien date.

Note: The "full cash value" determined pursuant to section 110 for property, or portions thereof, purchased, newly constructed or which changes ownership shall be enrolled on the next succeeding lien date unless the "full cash value" on that lien date is less, in which case the lien date value shall be enrolled.

(B) If real property has not been appraised to its appropriate base year full cash value, then the assessor shall reappraise such property to its full cash value for the appropriate base year lien date. Such reappraisals may be made at any time, notwithstanding the provisions of section 405.6, but 1975-76 base year values must be determined prior to July 1, 1980, except in counties of 4,000,000 population the values must be determined prior to July 1, 1981.

(3) RESTRICTED VALUE. Restricted value means a value standard other than full cash value prescribed by the Constitution or by statute authorized by the Constitution.

(4) FULL VALUE. Full value (appraised value) means either the full cash value or the restricted value.

(5) INFLATION RATE. For each lien date after the lien date in which the base year full value is determined, the full value of real property shall be modified to reflect the percentage change in cost of living, as defined in section 51; provided that such value shall not reflect an increase in excess of 2 percent of the taxable value of the preceding lien date.

(6) TAXABLE VALUE. Taxable value means the base year full value adjusted for any given lien date as required by law or the full cash value
for the same lien date, whichever is less.

(7) PROPERTY TAX RATE. The property tax rate is the rate calculated in accordance with the ad valorem tax limitations prescribed by section 1 of Article XIII A of the Constitution.

**Rule 461**

**Real Property Value Changes.** (a) Section 2 of article XIII A of the California Constitution provides, with certain exceptions stated therein, that real property shall be reappraised if purchased, newly constructed (regulation 463) or a change in ownership occurs (regulation 462) after the original base year.

(b) Unless otherwise provided for in this chapter or by statute, real property which was not subject to valuation in a prior base year as required by law shall be appraised at full value for each year it should have been so valued and an escape assessment shall be added to the roll for the current fiscal year or to the roll being prepared at the time of discovery in accordance with the provisions of section 531.2.

(c) The prior year taxable value of real property, or portion thereof, physically removed from the site shall be deducted from the property's prior year taxable value, provided that such net value shall not be less than zero. The net value shall be appropriately adjusted to reflect the percentage change in the cost of living and then compared to the current lien date full value to determine taxable value which shall be the lesser of the two values.

(d) For the fiscal year 1979-80 and fiscal years thereafter the assessor shall prepare an assessment roll containing the base year value appropriately indexed or the current lien date full value, whichever is less. Increases and decreases in full cash value since the previous lien date shall be reflected on the roll except that taxable value shall never exceed base year value appropriately indexed. In preparing such rolls the assessor is not required to make an annual reappraisal of all assessable property.

(e) Declines in value will be determined by comparing the current lien date full value of the appraisal unit to the indexed base year full value of the same unit for the current lien date. Land and improvements constitute an appraisal unit except when measuring declines in value caused by disaster, in which case land shall constitute a separate unit. For purposes of this subsection fixtures and other machinery and equipment classified as improvements constitute a separate appraisal unit.

(f) When the current full value of property is less than its base year full value indexed to the current lien date, the full value shall be enrolled as
the current taxable value.

<table>
<thead>
<tr>
<th>Assessor's Handbook</th>
<th>Description</th>
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<tbody>
<tr>
<td>AH 401</td>
<td>Assessors’ Handbook Section 401, Change in Ownership, September 2010</td>
</tr>
<tr>
<td>AH 503</td>
<td>Assessors’ Handbook Section 503, Cash Equivalent Analysis, March 1985</td>
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<tr>
<th>Letters To Assessors</th>
<th>Description</th>
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<tr>
<td>76/76</td>
<td>Attorney General's opinion regarding the valuation of section 236 housing. Section 236 housing projects are subject to enforceable restrictions pursuant to section 402.1, and that interest subsidy payments made by HUD to the lender on behalf of the landlord are properly included within the income stream as future income attributable to the property.</td>
</tr>
<tr>
<td>76/157</td>
<td>Describes the valuation principles used to value section 236 housing.</td>
</tr>
<tr>
<td>77/10</td>
<td>This is a supplement to LTA No. 76/157. Intended to clarify the valuation principles for those projects that are in poor financial condition and likely to be repossessed.</td>
</tr>
</tbody>
</table>
| 77/173              | Valuation of section 236 housing subsequent to the amendment of Section 8, Title 18, California Administrative Code. Effective November 25, 1977, it deletes the following sentence from paragraph (c):

"Gross return includes interest subsidy payments, if any, made by the government on behalf of a property owner whose property is subject to government rent control."

The amendment to "Rule 8" provides greater discretion to assessors in the appraisal of section 236 properties, giving the assessors greater latitude in the appraisal process by allowing them to not choose to include the interest subsidy payments as income when making appraisals for the 1978 assessment roll. |
| 78/103              | Proper interpretation of Proposition 13 requires assessors to do the following:

(1) Base Value – The market value base for individual assessments shall be the value that appeared on the 1975-76 property tax bills.
(2) Factoring – The 1975-76 base values are to be adjusted by 2 percent compounded for each of the three subsequent lien dates (1976, 1977, and 1978) to determine 1978 values. This factor is 1.0612. |
| 78/137              | Questions and answers illustrating proper valuation procedures regarding the valuation of private, fee-owned property subject to lease agreements. See LTA No. 79/34 for amendment. |
| 78/147              | Miscellaneous questions and answers concerning the implementation of
Proposition 13. In particular, see Question 2 – Sale Date; Question 3 – Unrestricted Farmland; Question 4 – Zoning Change After Purchase; and Question 5 – 1975 Appraisals.

78/190 Miscellaneous questions and answers concerning the implementation of Proposition 13. In particular, see Question 1 – Death of a Property Owner; Question 3 – Review of 1975 Base year Values for the 1978 Roll; and Question 4 – Section 4843 for Roll Corrections.

78/212 Condominium Assessments. Permits the initial seller or buyer of an individual unit in a condominium project to request a separate assessment and tax bill on the unit.

78/213 Attorney General's opinion on the assessor's right of trespass on private property for assessment purposes. Also see LTA No. 79-66, which further addresses this issue.

79/34 This amends portions of LTA No. 78/137. Deals with the valuation of private, fee-owned property subject to lease agreements. Contains various questions and answers, as well as examples.

79/37 Restrictions in valuing section 236 housing by the income approach.

79/66 Addresses a specific issue not addressed in LTA No. 78/213 in regards to the assessor's right of trespass on private property. The issue was in regards to whether the assessor or his/her employees would be guilty of criminal trespass if they entered private, posted property without first receiving permission from the landowner or the person who had the right to occupancy. The Attorney General's opinion is "so long as the assessor or his agent leaves the posted property upon request he will not be guilty of criminal trespass."

79/83 1975 Base Year Value Determination. Clarifies the intent of Proposition 13 and sets standards for determining base year values.

80/8 Appraisal of Property Prior to Sale for Delinquent Taxes or Assessments. Relates to the minimum bid for property being sold for nonpayment of property taxes and/or street improvement bonds. County assessors are required to determine the fair market value, as defined by section 110, of the property to be sold. The date of the appraisal must not be more than one year immediately preceding the date of the public auction. Final value determination must include the cost of the appraisal, advertising, and recording in the case of tax-deeded property.

80/26 Questions and answers that illustrate the proper valuation procedures to be followed when valuing relocated improvements. However, see LTA No. 94/14 for the Board's current opinion.

80/84 Changes in Ownership – Partitions. Deals with the applicability, determining proportional interests, and valuation of partitions. Examples.

80/97 Valuation of time share ownerships.

80/113 Changing Base Year Values. Deals with the issue of the assessor's right to change a base year value once it has been established. There is no such statutory limitation regarding base year values for years other than 1975. Originally, the Board gave the opinion that the assessor can revise a post-1975 base year value anytime within 4 years after the base value was first
placed upon the roll. However, LTA No. 82/124 corrects and clarifies this opinion. See LTA No. 82/124 for the correction and examples.

80/181 Legislative Changes. In particular, see Comparable Sales – section 402.5 substitutes the words "valuation date" for the words "lien date"; Periodic Appraisal – section 405.5 has been changed to refer to those properties not subject to article XIII A valuation procedures; and List of Transfers – section 408.1 has been added again to the R&T code to require assessors to maintain a list of transfers, other than undivided interests, within the county which have occurred within the preceding 2-year period.

82/25 CPI and Property Having a Declining Value. The language "...not to exceed 2 percent for any given year..." refers to the CPI being applied to the base year value for inflation purposes. It does not apply to declines in value when current market value is enrolled as the lower value and it increases each year by more than 2 percent. The assessor is to enroll current market value, regardless of how much it has increased from the prior year, as long as it is lower than the factored base year value. Also see LTA 2004/060.

82/92 Appraisal and Assessment of Timeshares. Defines timeshare project, timeshare estate, and timeshare use. Discusses appraisal and assessment of timeshares. Also see LTA No. 99/67.

82/122 Separate Assessment of Timeshares.

82/124 Correction to LTA No. 80/113 regarding changes to base year values. See examples to clarify the implementation of the 4 year time period. Also see LTA No. 83/14 for further clarification.

83/14 Changes in Opinions of Value. Deals with the assessor's right to correct the assessment roll whenever an error is discovered. Changes in post-1975 base year values may be made to correct any error, regardless of whether it was judgmental or clerical. Also see LTA No. 80/113 and 82/124.

84/51 Valuation of Subdivision Lots. Clarifies proper procedure for assessing newly created subdivision lots prior to sale and the method for handling the street, utility, and land improvements added during the subdivision development stage.

85/85 Tracking Ownership Interests. It is the requirement that values be "frozen" for property remaining in the same ownership that brings about the necessity of tracking ownership interests. Gives examples.

86/04 Applying Proposition 8 to Fractional Interests in Real Property. Gives examples. Also see LTA No. 85/85.Sale and Leaseback Transactions.

86/95 Restates Board's policy on valuation of section 236 properties (HUD). Simply restated, the Board's policy is:

(1) HUD 236 properties are restricted within the meaning of section 402.1.
(2) The use of comparable market data other than from similarly restricted properties is precluded in any value approach.
(3) Cash equivalent adjustments of HUD 236 properties' primary financing are inappropriate.

88/24 Service Station Fixtures. Clarifies the proper classification of certain service
station improvements as fixtures and discusses the assessment of these fixtures. Also see LTA No. 88/40 for correction to page 2, which omitted five words from Rule 122.5. Also see LTA No. 92/27 for further clarification.

<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
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<tbody>
<tr>
<td>88/40</td>
<td>Correction to page 2 of LTA No. 88/24, which inadvertently omitted five words from the Rule 122.5 definition of a fixture.</td>
</tr>
<tr>
<td>88/50</td>
<td>Base Year Value Corrections and Escape Assessments. Court Case <em>Dreyer's Grand Ice Cream, Inc. v. County of Alameda</em> (178 Cal.App.3d 1174, 1986) raised issues open to interpretation about the four-year statute of limitations on escape assessments. Clarifies some of the questions raised by the court decision. Section 51.5, section 80, section 531.2, and section 532. Also see LTA No. 89/34.</td>
</tr>
<tr>
<td>89/06</td>
<td>Full Cash Value of Real Property – Definition. Amends section 110, which defines the meaning of &quot;full cash value&quot; or &quot;fair market value,&quot; except as otherwise provided in section 110.1. The amendment adds subdivision (b) and (c).</td>
</tr>
<tr>
<td>89/34</td>
<td>Base Year Value Corrections. This is to clear up existing confusion as to the relationship between base year value correction provisions per section 51.5 and roll correction provisions per sections 4831 and 4831.5. This letter is to clarify the Board's interpretation of these sections in relation to roll corrections, assessment appeals, refunds, cancellations, and escape assessments. Also see LTA No. 88/50.</td>
</tr>
<tr>
<td>89/68</td>
<td>Mello-Roos Bonds. Sets forth the Board's position on the effect of bonds issued under the Mello-Roos Community Facilities Act of 1982 on the assessed value of real property. The Board has concluded that it is not proper to include the amount of Mello-Roos assessments in the value of land subject to such levies.</td>
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<tr>
<td>90/30</td>
<td><em>Dennis v. County of Santa Clara</em> (215 Cal.App3d 1019, November 1989). The appellate court concluded that the trial court erred by binding the assessor to the purchase price paid for real property in a concededly arm's length, open market transaction, despite the existence of a variable that skewed the purchase price. The court held that while section 110(b) permits the assessor to presume fair market value from a property's purchase price in an open market sale that is not influenced by an exigency of either buyer or seller, the presumption may nevertheless be rebutted by evidence that the fair market value of the property is otherwise. In this case, the assessor's method of valuation, relying on the income and market approaches, was deemed proper given that the purchase price reflected below market rents generated from existing leases on the property.</td>
</tr>
<tr>
<td>91/12</td>
<td><em>Mitsui Fudosan v. County of Los Angeles</em> (219 Cal.App. 3d 525, 1990). The court decision rules that transferable development rights are taxable property interests, and that the conveyance of these development rights constitutes a change in ownership, which permits a reappraisal of that property interest.</td>
</tr>
<tr>
<td>91/53</td>
<td>Refunds Resulting From Base Year Value Corrections. This is to clarify two issues with respect to refunds of taxes paid when assessors correct base value overpayments.</td>
</tr>
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2014-15
year value errors:

(1) Whether refunds may be required after the assessor corrects a base year value error involving his or her judgment as to value.

(2) Whether, in the event of a base year value correction, taxpayers may be entitled to claim a refund beyond the normal four-year statute of limitations.

92/27 Assessment of Service Station Structures and Fixtures. This letter is to further clarify and clear up inconsistencies among counties regarding classification (fixture or structure), methods of making adjustments to base year values, and notification of the changes to the taxpayers as advised in LTA No. 88/24 (and correction LTA No. 88/40). Gives examples of fixtures and structures.

92/75 Supplemental Assessment Litigation. *County of Los Angeles v. Assessment Appeals Board No. 1* (Daniel Bunn, No. B059175). The second Appellate District Court of Appeal granted to a taxpayer relief from supplemental assessment on the grounds that the assessment was not made timely by the assessor. The court ruled that the four-year limitations period for enrolling escape assessments per section 532 also applied to supplemental assessments. However, this decision is contrary to the Board's consistently held position that there is no statutory time limit for making supplemental assessments (LTA No. 88/75). See LTA No. 93/03 for clarification of statute of limitations on supplemental assessments.

93/03 Statute of Limitations on Supplemental Assessments. Amends section 75.11 to establish time limits for the enrollment of supplemental assessments. Explains the application of the new law both to those supplemental assessments already issued and to those forthcoming, but not yet enrolled. Adds subdivision (d) to section 75.11. See LTA No. 88/75 and 92/75. Further clarification given in LTA No. 94/32. Also see LTA No. 95/35 Statute of Limitations for Supplemental and Escape Assessments.

94/14 Assessment of Relocated Improvements. The Board has revised their previous opinion in LTA No. 80/26 on whether or not relocated improvements should, unless they have changed ownership, retain their existing base year value after relocation. Their revised opinion is that relocated improvements should not retain the base year value assigned to them before the relocation.

94/32 Enrollment of an Assessment. This is to further clarify when placement on the supplemental roll actually occurs for purposes of applying the statute of limitations under section 75.11. This letter also addresses enrollment of regular roll assessments and escape assessments. Also see LTA No. 93/03. For further clarification on escape assessments (last paragraph on page 6), see correction LTA No. 94/46.

94/41 Recent Appellate Cases. In regards to valuation, court case *Main & Von Karman Associates v. County of Orange* (23 Cal.App.4th 337, 1994). Rule 4 of Title 18 of the California Code of Regulations provides that when the assessor uses the comparative sales approach to value, the assessor shall convert noncash sale prices of the comparables to their cash equivalents. In
addition, the assessor shall make adjustments to the sale price of the comparable for differences in location, in physical attributes, in income, and in time for the difference between date of sale and date of appraisal. In this case, the assessor did not make any adjustments as required by Rule 4. The court restates the clear position that if the comparative sales approach is used pursuant to Rule 4, the rule must be strictly followed in order to provide an evidentiary foundation for the assessment of the property.

94/46  Correction to LTA No. 94/32 – Escape Assessments. Gives further clarification to escape assessments (see last paragraph on page 6). The advice in the last paragraph on page 6 is correct, but incomplete.

95/05  Amends multiple sections of the R&T code. In particular, see Section 69.5 – Over 55/Disabled Persons Exclusion. This legislation amends paragraph 2 of section 69.5, subdivision (e), relating to the sale of the original property. Adds reference to section 69.3.

95/35  Statute of Limitations for Supplemental and Escape Assessments. Further amends sections 75.11, 531.2, and 532 to change the statutes of limitations for supplemental and escape assessments resulting from changes in ownership. Also see LTA No. 93/03 and 94/32 (correction LTA No. 94/46).

97/71  Commercial and Industrial Value Guides. To comply with section 401.5, the Board has reviewed and approved a cost guide. The Board approved Marshall Valuation Service as the basic cost guide for valuing commercial and industrial properties. Variances from the values indicated by use of the recommended guide should be based on reasonable evidence and should be well documented.

98/51  Issues in the Valuation of Section 515 Multi-family Housing Projects. This letter is to promote uniformity in the treatment of section 515 properties by examining several of the issues that arise in the appraisal of these properties. Also refer to LTA No. 2002/041 for court cases upholding the Board's position on valuing these properties and LTA 2005/044 for Guidelines for the Assessment of Properties Financed Using Low-Income Housing Tax Credits, which supersedes a portion of LTA No. 98/51.

99/12  Treatment of Improvement Bonds in Determining the Fair Market Value of Real Property Being Appraised Upon Purchase. This letter supersedes LTA No. 98/34. Amends section 110 to establish a new rule for the valuation of real property purchased in an open market transaction. The stated purchase price is rebuttably presumed to reflect the value attributable to public improvements financed by the sale of bonds secured by the purchased real property. The amendment shifts the burden of proving by a preponderance of the evidence to the assessor in an appeals hearing that the value of the improvements financed by the bonds is not already reflected in the stated purchase price.

99/23  Proposition 1: Property Tax Relief for Contaminated Property. California voters approved Prop. 1, which amends section 2 of article XIII A by adding subdivision (i). Also see LTA No. 2000/012 for implementation by the Legislature.

99/67  Annual Review of Timeshare Values. This letter serves to expound on the
guidance given in LTA No. 82/92, by reminding assessors that, in most cases, timeshares should be reviewed annually to see whether the current market value of the timeshare interest has fallen below its factored base year value. In addition, assessors are advised that the market values of undivided interests in any particular unit will tend to be equal where the interests are substantially identical in terms of season, duration of occupancy, and other rights conveyed.

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<th>Document</th>
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<tr>
<td>2000/012</td>
<td>Revenue and Taxation Code Section 69.4: Property Tax Relief for Contaminated Property (Proposition 1). Proposition 1 allows owners of qualified contaminated property to transfer the property's base year value to a replacement property acquired or constructed on or after January 1, 1995, or to have excluded from reassessment certain property repairs performed on or after January 1, 1995. Effective January 1, 2000, section 69.4 is added to the R&amp;T code, implementing these provisions. Also see LTA No. 99/23.</td>
</tr>
<tr>
<td>2000/056</td>
<td>Fair Market Value of Contaminated Real Property. Court case of Mola Development Corporation v. Orange County Assessment Appeals Board No. 2 (80 Cal.App.4th 309, 2000). The court held that the value of contaminated property should, per section 110, be the price at which an open market sale of the property would be consummated, considering the polluted condition of the property.</td>
</tr>
<tr>
<td>2002/014</td>
<td>Statute of Limitations for Supplemental and Escape Assessments. Amends section 75.11 to revise the statute of limitations for supplemental assessments and amends section 532 to revise the statute of limitations for escape assessments. Also see LTA No. 93/03, 94/32, and 95/35.</td>
</tr>
<tr>
<td>2002/041</td>
<td>Final Disposition of Court Cases Involving the Assessment of &quot;Section 515&quot; Low-Income Housing Projects. This letter refers to two court cases involving the assessment of &quot;Section 515&quot; low-income housing projects. The rulings on these two cases confirm the conclusion reached by the Board in LTA No. 98/51. Refer to cases Maples v. Kern County Assessment Appeals Board (96 Cal.App.4th 1007, 2002) and Bontrager v. Siskiyou County Assessment Appeals Bd (97 Cal.App.4th 325, 2002).</td>
</tr>
<tr>
<td>2004/060</td>
<td>County of Orange v. Renee M. Bezaire. This case originally involved the proper interpretation of the provisions of article XIII A governing annual increases in value of property assessed below the factored base year value. The court initially ruled in favor of the taxpayer, stating that the statute limited all annual value increases to 2 percent, including property reviewed for an annual decline in value (Prop. 8). The appeals court reversed the decision, concluding that the 2 percent limitation applies only to increases in the base year value. Also see LTA No. 82/25.</td>
</tr>
<tr>
<td>2005/035</td>
<td>Guidelines for the Assessment of Enforceably Restricted Historical Property. These guidelines supersede LTA No. 77/174.</td>
</tr>
<tr>
<td>2005/044</td>
<td>Guidelines for the Assessment of Properties Financed Using Low-Income Housing Tax Credits. These guidelines supersede a portion of LTA No. 98/51 that relates to the treatment of low-income housing tax credits.</td>
</tr>
<tr>
<td>2007/047</td>
<td>Property Tax Relief – Contaminated Property. Also see LTA No. 99/23 and 2000/012.</td>
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<td>Date</td>
<td>Description</td>
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<tr>
<td>2008/021</td>
<td>Clarification of Escape Assessment Procedures Sections 531.8, 534, and 1605. Also see LTA No. 2008/060 for Notice of Proposed Escape Assessment.</td>
</tr>
<tr>
<td>2008/060</td>
<td>Notice of Proposed Escape Assessment. Also see LTA No. 2008/021.</td>
</tr>
<tr>
<td>2009/036</td>
<td>Factoring to Base Year Values. Following the year a base year value is first enrolled, the value is factored annually for inflation. Pursuant to section 51, the percentage increase cannot exceed 2 percent of the prior year's value. Each year the Board announces the applicable adjustment factor. Section 51 does not distinguish between positive and negative changes in the CCPI. It is the Board's opinion that if the adjustment is positive, the increase is limited to 2 percent; if the adjustment is negative, there is no such limitation to downward adjustments, including instances in which the net change to the CCPI is zero or less than zero.</td>
</tr>
<tr>
<td>2009/061</td>
<td>Low-Value Property Tax Exemption. Amends section 155.20 and increases the maximum value of property from $5,000 to $10,000 that a county board of supervisors has the authority to exempt from property taxation.</td>
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<tr>
<td>2010/055</td>
<td>Low-Value Exemption. Amends section 155.20 to explicitly address inflation factor adjustments when determining real property's eligibility to be exempt from property tax under a county's low-value exemption ordinance. To remain eligible, the value with inflation adjustments must continue to be at or below the county's value limit. Section 155.20 is amended to add the phrase &quot;as adjusted by an annual inflation factor to subdivision (f) of Section 110.1&quot; whenever the term &quot;base year value&quot; is used. In summary, the total adjusted base year value of the property, not the base year value when established, must remain at or below the county's value limit. This letter supersedes LTA No. 96/52.</td>
</tr>
<tr>
<td>2010/059</td>
<td>Assessment Notices. Amends sections 75.31, 619, and 621 pertaining to assessment notices. Effective January 1, 2011, sections 75.31 and 619 are amended to provide that the assessor may choose to accept a written request from the assessee to provide the information by electronic mail in lieu of by regular United States mail. Thus the assessor may provide supplemental assessment notices and/or assessment value notices via email if the assessee makes a written request to receive notices in that manner instead of by regular mail.</td>
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**Annotations**

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<td>150.0000</td>
<td>Assessed Value. (See 150.0010 and 150.0011 for annotations in regards to assessed value.)</td>
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<tr>
<td>170.0000</td>
<td>Assessment. (See 170.0005 through 170.0150 for annotations in regards to assessments.)</td>
</tr>
<tr>
<td>285.0000</td>
<td>Corrections. (See 285.0005 through 285.0090 for annotations in regards to corrections.)</td>
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<td>Land Use Restrictions.</td>
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<td>790.0000</td>
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<td>Valuation Methodology.</td>
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<td>850.0000</td>
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