

MANUFACTURED HOMES AUTHORITATIVE CITATIONS

The following provides the authoritative citations for the Manufactured Homes Survey Topic. In general, citations include Constitutional provisions, sections of the Revenue and Taxation Code, other applicable statutes, court cases, Property Tax Rules, *Assessors' Handbook Sections*, Letters To Assessors, and legal annotations pertaining to the topic.

CITATION	DESCRIPTION
Government Code	
§15606.1	The BOE may issue rules, regulations, and instructions for the assessment of manufactured homes subject to local property taxation.
Health and Safety Code	
§18007	Definition of "manufactured home" is a structure constructed on or after June 15, 1976, that is transportable in one or more sections, eight body feet or more in width, or 40 body feet or more in length, or 320 square feet or more set up on site, with permanent chassis, designed as a dwelling.
§18008	Definition of "mobilehome" is similar to "manufactured home" except constructed prior to June 15, 1976. Does not include a commercial modular home, factory-built housing, manufactured home, multi-family manufactured home, or recreational vehicle.
§18008.5	"Manufactured home or manufactured home accessory" means portable or permanent awnings, cabanas, storage sheds, carports, skirting, porches, heating or cooling units, or fences established for the manufactured home occupant's use.
§18551	This section provides a procedure whereby a manufactured home may be legally secured to an approved foundation system and thereby become a fixture and real property improvement to the land. This procedure requires a building permit; proof of ownership of the manufactured home; proof of ownership or qualifying leasehold interest in the land; plans, specifications, or manufacturer's installation instructions; payment of a building permit fee; a fee paid to HCD; and a notice of affixation recorded by the enforcement agency.
§18613.2	Enforcement agencies issuing installation permits for new manufactured homes shall deliver copies of such permits to the county assessor.
Revenue and Taxation Code	
§75.55	Counties may, by ordinance, cancel small supplemental tax bills where cost exceeds taxes up to \$50 for eligible manufactured home accessories assessed for \$5,000 or less and appurtenant to a licensed manufactured home first sold before July 1, 1980.
§172	Manufactured homes destroyed on or after January 1, 1982, in a Governor-

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	declared disaster may receive property tax or vehicle license fee relief applied to the replacement manufactured home.
§172.1	To be eligible for this disaster relief, the owner must file a claim for relief with either the assessor or HCD, as appropriate. The replacement manufactured home must, in the assessor's opinion, be comparable in size, utility, and location to the destroyed manufactured home. The assessor must assess an eligible new manufactured home at a value that equals the prior assessment (or destroyed manufactured homes subject to local property taxation) or the prior vehicle license fee (or destroyed manufactured home subject to licensing). If the eligible replacement is subject to licensing, HCD will assign an in-lieu rating that causes the vehicle license fee to equal either the prior license fee or the prior property tax bill, whichever is appropriate, incurred by the destroyed manufactured home.
§235	The lessee of tangible personal property owned by a bank or financial corporation shall be conclusively presumed the owner of that property.
§5801	<p>For use in Part 13 (Taxation of Manufactured Homes), manufactured home means a manufactured home as defined in Health and Safety Code §18007 and §18008. Manufactured home is defined as a structure transportable in one or more sections, which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to required utilities. A manufactured home does not include a commercial coach.</p> <p>A manufactured home is subject to local property taxation if it was first sold new on or after July 1, 1980, or if the owner voluntarily requested conversion from vehicle license fee status to local property taxation</p> <p>A manufactured home, subject to taxation pursuant to Part 13, shall not be classified as real property. Thus, manufactured homes should be classified as personal property.</p>
§5802	<p>Base year value means the full cash value of a manufactured home on the date the manufactured home is purchased or changes ownership or, for manufactured homes converted to local property taxation voluntarily, the full cash value on the lien date for the fiscal year in which it is first enrolled. A voluntarily converted manufactured home is not subject to supplemental assessment by reason of the conversion.</p> <p>If a manufactured home experiences a voluntary conversion and a change in ownership in the same calendar year, its base year value shall be its full cash value on its date of change in ownership and this value shall be enrolled on the next lien date. That change in ownership is not subject to supplemental assessment.</p>
§5803	Full cash value for a manufactured home shall not include any value attributable to the particular site where the manufactured home is located. The assessor shall take into consideration, among other relevant factors, cost data

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	issued pursuant to §401.5, sales prices listed in recognized value guides for manufactured homes, including, but not limited to NADA, the National Automobile Dealer Association's <i>Manufactured Housing Appraisal Guide</i> .
§5804	“Taxable value of a manufactured home” means the base year value, or the base year value as adjusted pursuant to Section 5813, plus the value of any new construction as determined pursuant to Section 5825.
§5805	Manufactured home accessories installed on a rented or leased lot with a manufactured home first sold prior to January 1, 1977, and which were subject to the state vehicle license fee, shall not be subject to local property taxation, unless the manufactured home is also subject to local property taxation or if the accessory is permanently affixed to land, such as on a foundation.
§5810	Manufactured homes, unless specifically excluded by statute, are to be assessed in the same manner as personal property.
§5813	<p>The taxable value of a manufactured home should be the lesser of its factored base year value, or its full cash value as of lien date, considering reductions in value due to damage, destruction, depreciation, or other factors causing a decline in value.</p> <p>If the manufactured home is damaged or destroyed by a disaster or calamity, its full cash value in its damaged condition shall be its base year value until the home is restored or repaired or new base year established.</p>
§5815	A manufactured home returned to a dealer's inventory for resale is exempt as business inventory, if it remains personal property in the dealer's possession.
§5825	<p>New construction is any substantial addition since the last lien date, or any alteration that constitutes a major rehabilitation or converts the property to a different use.</p> <p>New construction does not include timely reconstruction or replacement substantially equivalent to a damaged or destroyed manufactured home.</p>
§5830	<p>Manufactured home assessments shall be entered on the secured roll.</p> <p>However, if the taxes on any manufactured home which are not a lien on real property of the owner remain unpaid, the tax shall be transferred to the unsecured roll.</p>
§5841	The Department of Housing and Community Development shall furnish to county assessors a listing of all new registrations and titles to manufactured homes sited, or to be sited, in their county.
Sales and Use Tax Regulations	
Reg. 1610.2	The Sales and Use Tax Law provides an exemption from sales and use tax for used manufactured homes subject to local property taxation, under three conditions:

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	<p>It was first sold new in California after June 30, 1980; or</p> <p>It was first sold new before July 1, 1980, and was subsequently transferred to the local property tax rolls; or</p> <p>It is situated on a permanent foundation system as provided in Health and Safety Code §18551.</p>
Letters To Assessors	
80/4	Certain manufactured homes became taxable with 1980 legislation.
80/112	Clarification of earlier 1980 legislation affecting manufactured home taxation.
81/54	Exemptions for manufactured homes located on Indian reservations or within federal enclaves; and those owned by military service members.
81/118, 87/32	<p>Originally, the fixture tests were applied to manufactured homes to determine proper classification for property tax purposes; but see LTA 92/57 for new legislation mandating that manufactured homes are personal property unless affixed to land on an approved foundation system.</p> <p>If a manufactured home is owned on lien date (usually as a result of repossession) by a bank, insurance company, or financial corporation, it is exempt if classified as personal property but taxable if classified as an improvement.</p> <p>If a manufactured home is classified as personal property and leased to a person or taxable entity, the assessor must determine whether the lessee is acquiring an equitable interest in the property. If the contract amounts to a purchase contract, the manufactured home should be assessed to the lessee.</p> <p>If the lessor is a bank or financial institution the lessee of tangible personal property is presumed to be its owner. If the manufactured home is owned by an insurance company, it is not assessable.</p>
83/86	SB 191 enacted §5805 of the Revenue and Taxation Code (see above).
83/128, Q & A 3 - 6	Taxable manufactured homes are subject to supplemental assessment for installation on a site; and for transportation into California if first sold new outside of California after July 1, 1980; but not for enrollment due to vehicle license fee delinquency or voluntary conversion to local property taxation.
86/17	An amnesty program was introduced by legislation whereby manufactured homes that had become subject to local property taxation due to vehicle license fee delinquency could regain license status during a window period.
91/21	The federal Soldiers' and Sailors' Civil Relief Act of 1940 (later renamed Servicemembers Civil Relief Act) extends tax relief to manufactured homes assessed as personal property in that the active duty service members or their spouse can declare the situs of the manufactured home to be in the service member's home state, not in California.

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92/57	Effective January 1, 1992, the newly re-titled "Taxation of Manufactured Homes" part of the Revenue and Taxation Code affects the proper classification of manufactured homes and exempts such homes returned to a dealer for resale.
93/35	Site or in-park location value, whether positive or negative, must be eliminated from property tax assessments of manufactured homes, regardless of which approach is used to value the taxable manufactured home.
93/46	Manufactured homes are subject to supplemental assessments under §75.5. However, the simple relocation of a taxable manufactured home, without a change in ownership, is not a basis for supplemental assessment.
2003/025	A summary of changes to manufactured home statutes as amended by Ch. 775, Stats. of 2002 (SB 2092), most importantly in the area of supplemental assessment following voluntary conversion or installation on an approved permanent foundation system.
2003/036	The federal Soldiers' and Sailors' Civil Relief Act (SSCRA) (later renamed Servicemembers Civil Relief Act) among other things grants active duty military personnel immunity from taxation of their personal property, including manufactured homes, in the state or county where the individual is stationed on active duty. To receive this special treatment in California, the military person must file Form -261-D, <i>Servicemembers Civil Relief Act Declaration</i> , with the county assessor.
2011/051	Effective January 1, 2012, Senate Bill 947 (Stats. 2011, ch. 351) amends Revenue and Taxation Code section 4831 to allow floating homes and manufactured homes to receive a decline in value after the roll has closed.
2015/032	Summarizes several court cases involving property tax issues that were decided in 2014 by either the California Supreme Court or one of California's Courts of Appeal, including <i>Joseph E. Holland, Assessor v Assessment Appeals Board No. 1, et al.</i> (2014) 58 Cal.4 th 482.
Annotations	
585.0020	A manufactured home is classified as personal property unless it has been converted to real property per Health and Safety Code §18551. Thus, a manufactured home not converted under the foregoing procedure, if sited in a park and held for sale or lease by a dealer, would qualify for the business inventory exemption.
585.0055	Manufactured home accessories deemed improvements are subject to both property taxes and special assessments; those classified as personal property are subject only to property taxes.

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585.0090	To voluntarily convert a pre-July 1, 1980 manufactured home from vehicle license fee to local property taxation, the owner must notify the assessor pursuant to §5801(a) as well as record the notice sent to the Department of Housing and Community Development. The conversion is not subject to supplemental assessment.
600.040	Manufactured homes owned by U. S. service personnel stationed in California on active duty are exempt from property taxation if classified as personal property if the service personnel declares residency outside California. However, if the manufactured home of a military person is classified as an improvement, it is subject to property taxation.