

Amend Revenue and Taxation Code Section 4831 of the Property Tax Law to allow floating homes and manufactured homes to receive a decline in value after the roll has closed. (Housekeeping)

Source: Property and Special Taxes Department

Existing Law

Section 4831(b) gives counties the authority to reduce assessed values, via a roll correction, within one year after the assessment roll is completed and delivered to the auditor. The authority to reduce assessed values after delivery to the auditor is limited to those situations where the assessor failed to properly reflect a decline in the taxable value of the real property pursuant to 51(a)(20). The extra time to reduce assessments was enacted to reflect that after a major decline in real estate prices, there is insufficient time to process all the declines in value.

In the Letter to Assessors 95/54, BOE staff opined that this authority to reduce values for a decline in value only applies to real property and does not apply to manufactured homes because they are classified as personal property under Section 5801(b)(2). Similarly, Section 229 provides that a floating home is not a vessel but is treated as real property under Section 229 for property tax assessment purposes.

In actual practice, it is likely that many counties grant a decline in value to these property types after the roll is closed, as it would be inequitable to do otherwise.

This Proposal

This proposal would amend Section 4831 to allow an assessor to correct the roll to apply a decline in value to floating homes and manufactured homes.

Section 4831 of the Revenue and Taxation Code is amended to read:

4831. Incorrect entries on a roll may be corrected under this article as follows:

(a) (1) Any error or omission not involving the exercise of assessor value judgment may be corrected within four years after the making of the assessment being corrected.

(2) Notwithstanding paragraph (1), the four-year limit shall not apply to escape assessments caused by the assessee's failure to report the information required by Article 2 (commencing with Section 441) of Chapter 3 of Part 2.

(b) Any error or omission not involving the exercise of assessor value judgment that is discovered as a result of any audit may be corrected within six months after the completion of the audit.

(c) Any error or omission involving the exercise of assessor value judgment that arises solely from a failure to reflect a decline in the taxable value of real property and floating homes subject to taxation pursuant to Section 229 and manufactured homes subject to taxation under Part 13 (commencing with Section 5800) as required by paragraph (2) of subdivision (a) of Section 51 shall only be corrected within one year after the making of the assessment that is being corrected.

(d) Taxes that are not a lien or charge on the property assessed may be transferred from the secured roll to the unsecured roll of the corresponding year by the county auditor. These taxes shall be collected in the same manner as other delinquent taxes on the unsecured roll and shall be subject to delinquent penalties in the same manner as taxes transferred to the unsecured roll under Section 5090. The statute of limitations for the collection of those taxes shall commence to run from the date of transfer.