

850.0020 **Decline in Value.** In determining whether or not there has been a decline in the value of a given property, the assessor is not limited in the value approaches used so long as they provide reliable indicators of value. C 11/27/89.



STATE BOARD OF EQUALIZATION
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Executive Director

November 27, 1989

Re: Assessment Appeal Questions

Dear

In your letter of October 19, 1989 you posed four questions concerning the assessment appeal process.

1. IS IT POSSIBLE TO APPEAL AN ASSESSMENT BASED ON PROPOSITION 8, OUTSIDE OF THE JULY 1 - SEPTEMBER 15 APPEAL PERIOD?

Answer: No, only appeals based on non-lien date assessments can be made outside of the regular period. Proposition 8 was directed to conditions that existed on the lien date on an annual basis. It did not provide for any additions to the appeal process.

2. CAN PROPOSITION 8 CASES BE APPEALED SOLELY ON ECONOMIC EVIDENCE, USING THE INCOME APPROACH TO VALUE, OR IS IT THE RULE THAT COMPARABLE SALES (CURRENT MARKET DATA) MUST ALSO BE USED?

Answer: Property Tax rule 313(g) provides that any relevant evidence may be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs. In your example it is proper to present evidence of water damage which has resulted in reduced rents. If the assessor wants to use comparables, they must be truly comparable to your property; either subject to similar damage or reduced in value if perfect.

3. IS IT POSSIBLE TO APPEAL BASE VALUE, DURING THE APPEAL PERIOD JULY 1 - SEPTEMBER 15, 1989 FOR A PROPERTY PURCHASED ON JUNE 28, 1985 (RECORDING DATE)?

Answer: Yes, Revenue and Taxation Code, section 50, provides that a purchase establishing a new base year value shall be entered on the roll for the lien date next succeeding the date

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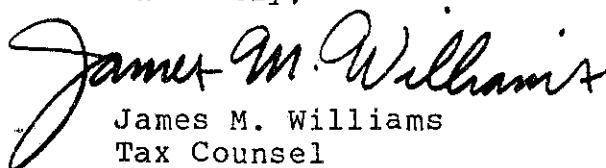
of purchase. In your case this would be March 1, 1986. Revenue and Taxation Code, section 80(3), provides that an application for equalization may be filed for the year in which the assessment is placed on the roll or in any of the three succeeding years. In your case, this would require filings in any of the years 1986, 87, 88, or 89 so if you filed in the period July 1 - September 15, 1989 the appeal was timely.

4. MUST THE APPRAISER SERIOUSLY CONSIDER AN APPLICATION FOR APPEAL, BY MAKING AN EFFORT TO RESOLVE IT WITH THE APPELLANT PRIOR TO OR INSTEAD OF A BOARD HEARING, AND MAKE THE APPROPRIATE RECOMMENDATION TO HIS SUPERVISOR AND THE ASSESSOR?

Answer: There are no statutes or rules that specifically apply to this question. It would appear that you have confronted an office policy of the assessor. This would not preclude you from talking directly to the assessor if he would grant you an appointment. It may be worth a try and could result in cost savings on both sides. Revenue and Taxation Code, section 1607, does provide for submission of a stipulated value to the county board. If, however, the assessor feels that his enrolled value is correct you will be required to proceed with your appeal for appropriate relief.

Our intention is to provide courteous and helpful responses to inquiries such as yours. Suggestions that help us to accomplish this goal are appreciated.

Sincerely,



James M. Williams
Tax Counsel

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cc: Mr. John Hagerty
Mr. Verne Walton