

PLUMAS COUNTY ASSESSOR

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As the Elected County Assessor for Plumas County and as President of the California Assessors' Association, I would like to provide the following input regarding the proposed Letter to Assessors summarizing your guidelines for rescission decisions relating to change in ownership. Below are concerns I respectfully request you consider.

No.	Comment/Suggestion
1.	<p>Begin the letter with a "Summary" of the change in ownership ramifications of a rescission. Perhaps something like:</p> <p><i>In Assessor's Handbook 401 – Change in Ownership, when a county assessor recognizes the rescission of a transfer, the transferor's name is placed on the assessment roll as the assessee and the former base year value is enrolled on the ensuing lien date. Restoration of a base year value because of rescission is not subject to supplemental assessment.</i></p> <p>This would serve the dual role of confirming the information in AH 401 on Rescinded Transfers has not changed, and providing a change in ownership synopsis for quick reference at the beginning of the letter.</p> <p>The following four paragraphs might be given the heading: <i>Legal Background</i></p>
2.	<p>Remove the term "status quo" from the letter, and replace it with "position they were in prior to the execution of the contract."</p> <p>"Status quo" does not appear to an accurate term in this context. (See Page 2, lines 18 and 20, Page 4, lines 20, 36 and 39, and Page 5, lines 38-39.)</p>
3.	<p>As discussed on Page 2, the recorded deed is the "contract" that the assessor sees. On Page 4, line 21 etseq., is the sentence, "<i>Civil Code section 1691 also requires the party requesting rescission to 'restore to the other party everything of value which he has received from him under the contract or offer to restore the same upon condition that the other party do likewise.'</i>"</p> <p>For assessment purposes the contract is the recorded deed, and in a large number of cases, there is no money changing hands. From this we could infer the <i>value</i> is not monetary, but intangible. It might be for better liability protection (non-proportional transfer into a legal entity), for estate planning (severing an original transferor in a</p>

	<p>joint tenancy), for family reasons (removing or adding a sibling), etc. Would the recording of a deed back to the title held prior to the execution of the original deed necessarily prove that everything had been restored, including the intangible “value?”</p> <p>Suppose that A grants to A and B as joint tenants, so A is an original transferor. Ten years later, B grants to B’s Trust. B then wants to rescind the transfer by deeding back to him/herself as a joint tenant with A. How does A attain original coowner status again? Would A as Trustee of A’s Trust deed back to A as a joint tenant with B? (Joint tenancy with a co-tenant cannot be created unilaterally, unless the Trust deeded to A and B as joint tenants, which would then create a new joint tenancy only in B’s 50% interest.)</p> <p>And on Page 4, beginning with line 36, the letter states, “Thus, if the rescission agreement includes terms different from a return to the status quo, a question may arise as to whether a rescission or a new contract was effected.”</p> <p>Does this mean that all valid rescissions must have a written agreement regarding the terms so the Assessor can determine whether there has been a new contract effected? If there is no written agreement, would the Assessor be justified in determining there was no valid rescission?</p>
4.	<p>On Page 6, line 13, line 23, and lines 33-34, the letter indicates there is no refund “while the contract was in effect” and while “the transfer was in force.” Presumably, once deeds record to return the parties to the position they held prior to the contract, the contract is no longer in effect. One might conclude from this phrasing that the deed reverting title back is supplementally effective. (See comments from Jeff Olson of San Diego County.)</p> <p>To clarify, at the end of line 13 on Page 6, add the sentence, “Restoration of a base year value as a result of rescission is not subject to supplemental assessment.”</p>

Thank you for your attention. CAA looks forward to participating in the interested parties meeting.

Sincerely,



Charles W. Leonhardt, Plumas County Assessor

President, California Assessor’s Association

- Cc: Tom Bordonaro
 Barbara Edgington
 Christina Wynn
 Janet Lewis
 Nina Valder