

SUPPLEMENTAL ASSESSMENTS AUTHORITATIVE CITATIONS

The following provides the authoritative citations for the Supplemental Assessments 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
Revenue and Taxation Code	
§62.1(b)(4)(A)	The assessor may not levy any supplemental assessment with respect to any change in ownership of a pro rata portion of the real property of a mobilehome park, that occurred between January 1, 1989 and January 2, 2002, for which the assessor did not, prior to January 1, 2000, levy any assessments.
§75.5	Real property and taxable manufactured homes are subject to supplemental assessment. Fixtures normally valued as a separate appraisal unit, and newly created month-to-month type possessory interests having a full cash value of \$50,000 or less, are not subject to supplemental assessment.
§75.10(b), (c)	"Actual physical new construction" includes the removal of a structure from land and the discovery of previously unknown reserves of oil or gas.
§75.11(a)	For changes in ownership or new construction occurring on or after January 1 and on or before May 31, two supplemental assessments are issued. The first covers the portion of the current fiscal year remaining after the assessable event (the difference between the new base year and the taxable value on the current roll; the second covers the ensuing fiscal year in its entirety (the difference between the new base year value and the taxable value for the roll being prepared.).
§75.11 (b)	For changes in ownership or new construction occurring after June 1 but before the succeeding January 1, the supplemental assessment is the difference between the new base year value and the taxable value on the current roll.
§75.11(c)	In the event of multiple changes in ownership or completed new construction, a net supplemental assessment shall also be enrolled, in addition to the other supplemental assessments.
§75.11(d)	There is a four-year statute of limitation for enrolling supplemental assessments, measured from July 1 of the assessment year in which the change in ownership or new construction event occurred. This becomes eight years if the §504 penalty is added to the assessment, or if the change in ownership is not recorded and a COS or PCOR is not timely filed. There is no limit on making supplemental assessments where a §503 penalty has been added.
§75.11(e)	This period may be extended if agreed in writing by the taxpayer and assessor.
§75.12(a)	New construction is deemed complete when the new construction is available for use by the owner, or when the property is occupied or used with the owner's consent, or on the date the property can be functionally used or occupied, whichever occurs first. If the owner does not intend to use or occupy the property,

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	<p>upon written application to the assessor within prescribed deadlines the property shall be excluded from supplemental assessment for the completion of new construction ("builder's exclusion").</p> <p>Builder's exclusion is automatically granted if property is subdivided into five or more parcels, a map has been recorded, and single-family residences will be constructed.</p>
§75.14	Supplemental assessments apply to any assessments calculated pursuant to article XIII A since July 1, 1983. Supplemental assessments do not apply to assessments that result from application of a restricted valuation procedure (e.g., CLCA, historical, and taxable government-owned (Section 11)).
§75.15	Fixtures added to or removed from real property shall be reported once each year at the time the annual property statement is due. The date of additions and disposals, and their cost, shall also be reported.
§75.18	If the actual date of change in ownership or completion of new construction occurs between January 1 and June 30, then the new base year value shall be adjusted on the following January 1 by the inflation factor.
§75.20	Supplemental assessments do not affect exemptions already granted
§75.22	A property is eligible for exemption from the supplemental assessment if the person claiming the exemptions meets the qualifications for the exemption no later than 90 days after the change in ownership or new construction occurs.
§75.24	If a section 501(c)(3) organization establishes its status as a qualified organization with the BOE within 180 days of a change in ownership or completion of new construction, the property shall be eligible for exemption from supplemental assessment.
§75.31	<p>The assessor must send a notice of supplemental assessment on a BOE-approved form that includes:</p> <ul style="list-style-type: none"> • New base year value; • Taxable value on the current roll; • Taxable value on the roll being prepared (for January 1 – May 31 events); • The event date; • The amount of the supplemental assessment; • The amount of any exemptions; • The date the notice was mailed; and • A statement that the supplemental assessment was determined in accordance with article XIII A of the California Constitution that generally requires reappraisal of a property whenever a change in ownership occurs or property is newly constructed. • Any other information the BOE may prescribe. <p>The notice shall also advise the assessee of the right to an informal review and a</p>

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	<p>formal appeal of the supplemental assessment and the filing deadline therefore (in counties that have adopted an alternate assessment appeal filing date under §1605(c), and Los Angeles County, the cutoff date is 60 days of the later of either the date of mailing printed on the tax bill or its postmark date; in all other counties, the cutoff date is 60 days of the later of either the date of mailing printed on the notice of supplemental assessment or its postmark date).</p> <p>Where the assessor and assessee stipulate to an erroneous assessment resulting from the assessor's appraisal judgment, an application for reduction in supplemental assessment can also be filed within 12 months of the month in which the assessee is notified of that assessment.</p> <p>The notice must also advise the assessee of procedures for appealing both the base year value (§80) and the lien date taxable value (§51).</p> <p>The notice shall inform the assessee of the procedure for filing a claim for exemption that has to be filed within 30 days of the date of the notice.</p> <p>The notice shall advise the assessee of the right to an informal review and the right to appeal the supplemental assessment, and filing deadline.</p> <p>The notice shall show the requirements, procedures, and deadlines with respect to an application for the reduction of a base year value or the assessment on the local roll, as well as the criteria for the determination of taxable value, and shall state that if the supplemental assessment is a negative amount the auditor will refund a portion of the taxes paid.</p> <p>A supplemental assessment may be appealed within 60 days of the date of mailing printed on the notice, tax bill, or postmark, or within 12 months of the month in which the notice is sent to the assessee, provided that the assessee and assessor agree that there was an error due to the exercise of judgment and the assessor files a written stipulation with the assessment appeals board.</p> <p>The notice is mailed directly to the assessee at the assessee's latest address known by the assessor, and shall be on a form prescribed by the BOE. Effective January 1, 2011, 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.</p>
<p>§75.40</p>	<p>The assessor shall transmit the supplemental assessment to the auditor. The supplemental roll must include the following information:</p> <ul style="list-style-type: none"> • Name and address of the assessee; • Parcel number or legal description; • Tax rate area; • New base year value with separate values for land and improvements; • The value of the property on the current roll, or roll being prepared, or both;

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	<ul style="list-style-type: none"> • The exemption amount, if any; • The net supplemental assessment after exemption; and • The event date.
§75.41(d)	The auditor may cancel the supplemental tax bill if it is \$20 or less.
§75.55(a)	A county may by ordinance cancel a supplemental tax bill, in which the amount of taxes to be billed is less that the cost of assessing and collecting, up to \$50.
§75.55(b)	A county may alternately by ordinance provide for the cancellation by the assessor of any supplemental assessments yielding \$50 or less in taxes.
§75.60	A county may receive up to 5 percent of supplemental assessment revenues as reimbursement for associated administrative costs, provided that it has at least a 95 percent assessment ratio and the total of its projected over- and underassessments do not exceed 7.5 percent of the proper assessment level, as determined by BOE staff in its assessment sampling survey.
Assessors' Handbook	
AH 504	<p>Assessor's Handbook Section 504, <i>Assessment of Personal Property and Fixtures</i>, October 2002</p> <p>Page 92 - The exclusion from supplemental assessment for fixtures (under section 75.5) applies only to fixtures that are normally valued as a separate appraisal unit from the land and other improvements on which they are located. The exclusion of fixtures from supplemental assessment does not apply to fixtures that are included with other property as part of a single appraisal unit that changes ownership or is newly constructed. (See also LTA 91/59) No person shall perform the duties or exercise the authority of a property tax appraiser unless he or she has a valid appraiser's or advanced appraiser's certificate issued by the BOE.</p>
Letters to Assessors	
83/82	The first letter dealing with supplemental assessments. It contains useful examples that illustrate how supplemental assessments are calculated.
83/111	This letter details the first "clean up" bill for supplemental assessments. Most notably, manufactured homes were specifically included in supplemental assessment, and supplemental events occurring between lien date and June 30 require additional inflation factoring of the new base year value for the next lien date.
83/128	The first in a series of letters about supplemental assessments written in a question and answer format. Most of the advice is still valid with the exception of question 11 which has been superseded by §170(i) and now permits the use of supplemental assessment procedures to enroll restored property values.
83/132	Questions and answers about the applicability of supplemental assessments to the builder's exclusion, possessory interests, leasehold improvements, and selected other areas.
84/33	Questions and answers relating supplemental assessments to appeals and penalties

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	for failure to file change in ownership statements.
85/75	Questions and answers relating supplemental assessments to exemptions and transfers to state assessees or government entities.
86/12	When an enrolled possessory interest (PI) terminates in midyear and a new interest is created in another party, the newly created interest should be supplementally assessed at the full value of the new interest; however, if an enrolled PI is assigned or transferred to a new owner, the supplemental assessment would be limited to the difference between the enrolled value and the new base year value of the PI at the time of assignment or transfer.
87/58	Effective August 1, 1987, fixtures normally valued as a separate appraisal unit from a structure are no longer subject to supplemental assessment.
91/59	BOE staff position is that fixtures are subject to supplemental assessment when they qualify as new construction or as a change in ownership, unless the fixtures are normally valued as a separate appraisal unit from the structure. (See also AH 504 , p. 92).
94/32	<p>An assessment is considered "made" when the assessor delivers the required assessment information to the county auditor:</p> <ul style="list-style-type: none"> • In the case of the §601 roll, when the information is delivered to the county auditor. • In the case of a supplemental assessment, it is "placed on the roll" when the information is delivered to the auditor. Although a supplemental assessment is not "enrolled" until the auditor extends the taxes, the statute of limitations applies to placement on the roll, not enrollment. <p>In the case of an escape assessment, when the information is delivered to the auditor, provided the assessment notice is sent timely (otherwise, the assessment is not made until the assessee received the tax bill.</p>
95/32	In <i>Sea World, Inc. v. County of San Diego</i> 27 Cal.App. 4 th 1390, the court ruled that the taxpayer had no claim to a retroactive refund of taxes from a contested supplemental assessment, even where the assessor later reduced the base year value, because §80(a)(5) specifies that reductions resulting from base year value appeals apply to the assessment year in which the appeal is filed and prospectively thereafter.
99/83	An electric generating facility sold by a regulated public utility (state assessee) to an investor owned utility (local assessee) is subject to supplemental assessments due to reappraisal triggered by the sale.
99/87 Q&A #9	The transfer of an individual interest in a resident-owned manufactured housing park is subject to supplemental assessments calculated separately for both the manufactured home and the underlying space.
2010/059	Assessment Notices. Senate Bill 1493 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, see section 75.31(f) and section 619(d) .

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	Section 621 is amended to provide that in any county the assessor, with the approval of the board of supervisors, may give the information required by section 619 , and similar information with reference to personal property, as an alternative to giving the information by United States mail, by having published lists of assessments in newspapers, or by posting the information to the assessor's Internet Web site, or any combination of the above.
Annotations	
790.001 - 790.0325	Many annotated legal letters offering staff opinions on numerous aspects of supplemental assessments as applied to appeals, exemptions, state assessees, disaster relief, fixtures, and other topics.