

TAXABLE GOVERNMENT OWNED PROPERTY AUTHORITATIVE CITATIONS

The following provides the authoritative citations for the Taxable Government Owned Property 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
California Constitution	
Article XIII, §3(b)	Exempts from taxation any property owned by local governments. Also see Article XIII, §11 .
Article XIII B, §8(d)	"Local government" means any political subdivision of or within California. It does not include governmental entities of states other than California.
Article XIII, §11	Provides that land and the improvements thereon, located outside its boundaries, may be taxed if the property was subject to taxation at the time of acquisition. Restricted value of land is calculated by multiplying the 1967 assessed value (1966 for property located in Inyo county) by the Phillips Factor, which is supplied annually by the BOE .
Revenue and Taxation Code	
§52	Notwithstanding Article XIII A , taxable government-owned property must be valued according to Article XIII, §11 .
§75.14	Section 11 property is not subject to supplemental assessment.
§987	The BOE shall annually compute the ratio (the "Phillips factor") to be applied to Section 11 assessments.
§1840	The assessments of Section 11 properties may be appealed to the BOE and the BOE will hear and decide the applicant's claim for reduction in assessment.
§1841	The BOE will notify the county auditor and board of supervisors and the applicant of its decision with respect to the request for reduction in Section 11 assessment. The county auditor shall enroll the BOE-set value.

CITATION	DESCRIPTION
Property Tax Rules	
Rule 29	Provides a regulatory framework for determining the proper taxable value of possessory interests (other than leases for agricultural purposes) in taxable government-owned property. Limits the amount of the possessory interest assessment to the difference between the fair market value of the taxable government-owned real property on the lien date and the restricted (Section 11) value of the property on the lien date.
Letters To Assessors	
95/48	<p>The California Supreme Court decided in 1995 that taxable government-owned property was subject to the provisions of article XIII A of the Constitution (factored base year value) – <i>City and County of San Francisco v. County of San Mateo et al</i> (10 Cal 4th 554). The counties of Inyo and Mono were excluded from this decision.</p> <p>Because of this decision, the assessed value for taxable government-owned land (except for the counties of Inyo and Mono) is the lower of (1) the 1967 assessed value adjusted by the appropriate Section 11 factor (supplied annually by the BOE), (2) the current fair market, or (3) the article XIII A factored base year value. Taxable government-owned improvements should be assessed at the lower of (1) current market value, (2) factored base year value, or (3) the highest full value ever used for taxation of the improvements.</p>
2000/037	<p>On June 15, 2000, the BOE decided that</p> <ul style="list-style-type: none"> • Section 11 value limitations apply to taxable government-owned properties acquired after March 1, 1975 • Base-year values for such properties will be the lower of market value at time of acquisition or Phillips factor value for the year of acquisition; and • Section 11 properties are not subject to supplemental assessments. <p>These guidelines supersede any information given in LTA's 79/40, 79/187, and 82/136, as well as the Special Topic Survey <i>A Report on Section 11 and PERS Properties</i> (1990).</p>
2015/064	A cumulative listing of the BOE-announced factors applicable to Section 11 properties for lien dates 1970 through 2016.
Annotations	
210.0025	The purchase of property subject to a California Land Conservation Act contract by a public agency, if not by eminent domain or in lieu of eminent domain, does not cancel the contract. The property is subject to tax under section 11, Article

CITATION	DESCRIPTION
	XIII of the California Constitution, if (1) the situs of the property acquired is outside the boundaries of the public agency, and (2) the property was taxable when it was acquired. C 10/25/2006.
550.0005	Improvements on Section 11 land are taxable, if taxable when acquired by local government, at the lower of fair market value or factored base year value, except that if the improvements were built after March 1, 1954, and replace taxable improvements, they may be assessed no higher than the highest full value at which the replaced improvements were assessed. (from superseded LTA 79/40, but the guidance is as also given in LTA 2000/037).
550.0008	If a public agency acquires property subject to a CLCA contract by other than eminent domain or threat thereof, the contract remains in force and will not be automatically cancelled. C 10/25/06. See Annotation 210.0025 .
550.0010	A private lease of city property for turf growing is exempt under Article XIII, section 11(f) of the Constitution as a "lease for agricultural purposes."
550.0015	A possessory interest (PI) may be assessed to the owner of a private marina located on Section 11 land, provided that if the value assessed to the local government is highest and best use, no value can be assessed to the marina owner. The value of the PI must exclude the value assessed to the local government.
550.0020	Article XIII, section 11(f) insures that taxable possessory interests (PI) do not escape taxation due to the Section 11 assessment limitations afforded to the public entity. When the current market value of the fee in Section 11 land exceeds the Section 11 assessment in the land, the excess in value is an exemption to local government. A private use of such lands constitutes a PI taxable at the lower of the full cash value of the PI or the difference between the current market value of the fee and the Section 11 assessment.
550.0021	Land taxable when acquired and located outside of a city's boundaries is subject to Section 11 assessment, regardless of use and its joint ownership with another tax-exempt government entity.
550.0022	Redevelopment agency property is taxable if located outside agency boundaries and taxable when acquired, even though located within city limits.
550.0023	Section 11 properties are not subject to supplemental assessments.
550.0026	1967 fair market values and 1975 base year values for Section 11 lands may be reconstructed from relevant comparable assessments made for those periods.

CITATION	DESCRIPTION
550.0030	A welfare-exempt property acquired by local government from a private hospital corporation remains exempt from taxation and is not subject to Section 11 assessment, because it was exempt when acquired.
575.0050	A joint powers agency (JPA) composed of both California and out-of-state governmental agencies that owns property within the JPA's boundaries is exempt from taxation under Article XIII, §3(b) .