Timeshares

Assess timeshares at the lesser of their factored base year value or the current market value.

Section 51 states that the taxable value of real property shall be the lesser of its base year value factored annually for inflation, or its full cash value, as defined in section 110, on lien date.

By failing to consider the factored base year values for timeshare estate properties and comparing them to current market values, the assessor may underassess or overassess properties. Furthermore, this method of valuation may lead to incorrect supplemental assessments by understating or overstating the taxable value on the current roll.

Reassess timeshare estate projects when the cumulative interest and value transferred meet the requirements of section 65.1.

Section 65.1(a) provides that a change in ownership of an interest with a market value of less than 5 percent of the total property value shall not be reappraised if the value transferred is less than $10,000. However, these transfers are cumulative within each assessment year. Therefore, the assessor must track and reassess any interest that equals or exceeds 5 percent of the total property value and the total interest transferred to determine whether or not the total value exceeds $10,000 at the end of each assessment year.

Failure to comply with section 65.1 results in incorrect assessments of timeshare estate projects.

Assess taxable personal property in rental timeshare units.

Section 201 provides that unless exempt, all property is taxable. Section 224 and Rule 134 exempt from taxation only those household furnishings and personal effects not held or used in connection with a trade, profession, or business. Since household furnishings in timeshare units that are rented are used in a business, they are taxable.

This practice results in taxable personal property escaping assessment.