

ASSESSMENT PRACTICES SURVEY

A REPORT ON THE ASSESSMENT OF MOBILEHOMES

1985

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ASSESSMENT STANDARDS DIVISION
DEPARTMENT OF PROPERTY TAXES
CALIFORNIA STATE BOARD OF EQUALIZATION

Memorandum

To : Honorable Ernest J. Dronenburg, Jr.
Honorale Conway H. Collis
Honorale William M. Bennett
Honorale Richard Nevins
Honorale Kenneth Cory

Date : July 1985

From : Gordon P. Adelman

Subject : A Special Topic Survey of the Current Assessments of Mobilehomes

This comprehensive report is the fourth in the series of special topic surveys authorized by you to supplement the Assessment Practices Survey Program. It is designed to present the findings of our statewide survey of the assessment of mobilehomes. It brings together in one report, at one point in time, the practices and procedures employed by fifty-six county assessors in assessing these limited but important types of properties (San Francisco City and County has no mobilehomes; San Luis Obispo County did not respond). It is hoped that the report will direct attention to procedures found to be effective and promote equalization among the counties who participated in this survey.

We extend appreciation to the county assessors and their staff members, and all others whose cooperation has made this report a valuable tool for use in improving California's property tax program.

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PREFACE

The State Board of Equalization is required by law to audit the assessment program in the county assessor's office in each of the 58 counties. The results and recommendations arising from these field and office audits are published in assessment practices survey reports. In addition, the Board makes periodic surveys of particular subject areas or major issues greatly affecting local property taxation. These special topic surveys, authorized by Sections 15640 and 15643 of the Government Code, are to be conducted as needed. The findings of these selective surveys are published and distributed to all county assessors, the Members of the Board, and Board staff who are involved with the particular survey issue. Copies of these surveys are also available to concerned individuals in the private sector.

The subject of this special topic survey is the assessment of mobilehomes. The goals of this report are:

- (1) To determine how legislation enacted since 1980 has shaped the local assessment of mobilehomes.
- (2) To gather statistical data relating to mobilehome assessments for future reference.
- (3) To highlight problems encountered by county assessors in assessing mobilehomes.
- (4) To present the Board's positions on how best to implement the mobilehome property tax laws and how to resolve related assessment problems.

The vehicle for obtaining the information needed to achieve these goals was a questionnaire, containing forty-two questions, which was sent to all county assessors in 1983.

This survey was written by the staff of the Assessment Standards Division, Department of Property Taxes.

Verne Walton, Chief
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Department of Property Taxes
California State Board of Equalization
July 1985

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I. INTRODUCTION

Prior to 1980, mobilehomes were generally subject to the vehicle license and registration fees imposed by the Department of Motor Vehicles. Only under certain conditions would a mobilehome become subject to local property taxation. One such instance was the placement of a new or used mobilehome on a permanent foundation system, resulting, according to the county assessor, in its conversion to real property.^{1/}

In 1980, two major changes were introduced to mobilehome taxation through several legislative enactments. Responsibility for registration and titling of mobilehomes was shifted from the Department of Motor Vehicles to the Department of Housing and Community Development (HCD). More importantly, though, mobilehomes first sold new on or after July 1, 1980 and those mobilehomes that exceeded 119 days of vehicle license fee delinquency were no longer subject to the annual license fee, but instead were subject to assessment on the local property tax rolls.

Legislation enacted since 1981 has greatly modified the manner of assessing mobilehomes. Owners of currently licensed mobilehomes may now voluntarily transfer their homes to local property taxation. Owners of mobilehomes that became locally taxable due to license fee delinquency have been given opportunities to be reinstated to vehicle status through various HCD programs involving petitions for reinstatement, requests for waiver, and, most recently, requests for reinstatement under general amnesty. This latter program, created by Chapter 1760 of the Statutes of 1984, also deletes the automatic transfer of delinquent mobilehomes to local tax rolls. Instead, delinquency simply results in added penalties imposed by HCD.

The preceding paragraph touches on statutes that were not in effect when we sent our questionnaires to the 58 counties. Consequently, our tabulated data does not accurately reflect the current state of mobilehome law. To correct this deficiency, we have structured Chapter II, Conclusions, so that we first present questionnaire findings for each of seven topics, then offer the Board's recommendations and the effects of changes in the statutes enacted since the original information was gathered. In addition, Appendices 2, 3, 4, and 5 provide up-to-date information on mobilehome statistics, applicable statutes, advisory letters to county assessors prepared by the Board, and legislation affecting the taxation of mobilehomes. We feel that this approach has produced a special topic survey that is both informative and timely.

We must caution readers of this report that the statistical summaries contained in Appendix 2 are only estimates and cannot be assumed to represent accurate statewide totals. There are two reasons for this lack of statewide reliability. The first is that the San Luis Obispo County Assessor elected not to return the questionnaire to us, so no information is available for that county. The second reason is that approximately one-third of the responding counties indicated either that their answers to questions requiring quantitative data were only estimates, or

1/ The Board's Letter To Assessors 78/57, dated April 3, 1978 (see listing in Appendix 4).

that the particular figure was unknown or otherwise too difficult to produce. Apparently, capturing mobilehome data from computer-generated assessment rolls is not yet within the capabilities of most county computer programs. Having issued this caveat, we nonetheless hope that our summarized findings and recommendations will serve you well in your daily administration of mobilehome property tax law.

II. CONCLUSION

A. CLASSIFICATION OF MOBILEHOMES

This topic – the classification of mobilehomes as real or personal property – formed the nucleus of Questions 5 through 11 and 30 (see Appendix 1 for the text of the questions referred to throughout this chapter). Forty-three counties indicated that they generally classify most mobilehomes as improvements. Six counties classify them as personalty in all instances. The other six of the 55 counties that responded to this question employ a mixed approach, sometimes classifying mobilehomes as real property, sometimes as personal property.

We noted several curious points about the counties' responses. One was that several counties listed criteria other than those we have previously recommended as justification for their classification.^{1/} Examples of such reasons are that mobilehomes are classified as real property to facilitate the application of homeowners' exemptions; that mobilehomes are considered personalty when on rented land and real property when on private (fee) land; and that only mobilehomes set on approved foundation systems (those that meet HCD standards) are classified as real property.

Another curious fact was that, although most counties classify mobilehomes as real property, only six counties have a formal administrative policy regarding classification. Not even one county had obtained an opinion from county counsel regarding classification.

It appears that in most counties mobilehomes, whether sited on fee land or on rented land (park spaces), are judged to be improvements to land. We concur with this opinion, based on our observations of the permanence of most mobilehomes once they have been set up and are occupied. The tendency toward permanence can more readily be inferred from the typical length of time most mobilehomes remain in the same location than from the manner in which the mobilehome is affixed to the land.

Sixteen responding counties indicated that in most instances their county building codes require permanent foundations for mobilehomes located outside of mobilehome rental parks. Thirty-nine counties indicated that no permanent foundation is required. We conclude that, in these latter counties, classification of mobilehomes is generally more ambiguous. In those counties requiring approved foundation systems for such mobilehomes, the law requires that once a mobilehome is so installed, it must be deemed a fixture and an improvement to the land.^{2/} Although since January 1, 1982, state law has allowed mobilehomes located in rental parks to be placed on conforming foundation systems ^{3/}, to date most mobilehomes set up on approved foundations are located outside mobilehome parks, generally on fee land. Thus, state law solves

- 1/ The Board's Letter To Assessors 81/118. See Appendix 4.
- 2 Health and Safety Code, Section 18551(c). See Appendix 3.
- 3/ Health and Safety Code, Section 18551.1. See Appendix 3.

the problem of classification for assessors in counties requiring approved foundation systems for mobilehomes located outside of rental parks; but for those counties that do not have such a local requirement, there is no substitute for individual field inspection. Sixteen counties stressed visual examination of the mobilehome on site as a criterion for determining proper classification.

Thirty-five of the 56 responding counties consider a masonry perimeter foundation or retaining wall around a mobilehome to be a sign of permanence and therefore a reason for classifying the mobilehome as an improvement. Fifteen counties did not judge this to indicate permanence, while the remaining six counties either questioned the relevance of the question or did not answer at all. The question referred to mobilehomes placed on sites that are individually excavated so that the home is level with the ground and that are surrounded by a masonry wall which is also set into the ground. This low-profile look, which was intended to create the appearance of a conventional subdivision, is most common in Southern California. It is found in both rental parks and "own your own lot" planned mobilehome communities. Such low-profile installations may legally be used with either permanent concrete foundations or the traditional movable pier blocks and axles.

All responding counties indicated that they do assess mobilehome accessories. The wording of Question 11 implies that the accessories referred to are those that are additions to taxable mobilehomes, not to licensed mobilehomes (for a full discussion of the latter category, see Section E, Mobilehome Accessories). Approximately 90 percent of the counties classify all accessories as real property. The remaining 10 percent classify accessories as personal property. These percentages correspond to the county responses to Question 5 dealing with how the mobilehome itself is classified. It follows that if a county assessor chooses to enroll all taxable mobilehomes as personalty, he will automatically enroll any accessories to these mobilehomes as personalty also. To do otherwise would be administratively cumbersome.

Regarding a mobilehome installed in a mobilehome park by a dealer who still holds title to the mobilehome on the lien date, 33 of the 49 counties who reported having encountered this situation consider such a mobilehome to be personal property in dealer's inventory and consequently exempt from property taxation. The remaining 16 counties classify the mobilehome as an improvement and immediately assess it. Of the counties exempting such mobilehomes because they are dealer's inventory, many assess the mobilehome as real property once it is either sold or rented by the dealer, given a certificate of occupancy by HCD or local inspectors, or else is actually occupied. We established our position regarding classification of mobilehomes in 1981.^{4/} We continue to endorse the principles set forth in that letter. We do not feel that ownership by a dealer or the fact of occupancy or permission to occupy should form the basis for classification of any mobilehome that has been set up, whether on fee land or in a rental park.

4/ The Board's Letter To Assessors 81/118. See Appendix 4.

Once the county assessor has independently deemed such a mobilehome to be personal property, it should continue to be so classified, even after it leaves dealer's inventory and becomes a residence for an owner-occupant. The converse should hold true also.

B. ESTABLISHING BASE YEARS FOR MOBILEHOMES

Questions 16, 17, and 24 deal with establishing base years for mobilehomes and accessories. The first of these questions concerns how "site value" (that is, locational value attributable to the park where the mobilehome is located) is measured and excluded from the full cash value of the mobilehome. Seven counties reported that the question did not apply to them because there were no mobilehome parks in those counties. Of the remaining 50 respondents, one indicated that no effort was made to exclude site value, and most of the other 49 counties agreed that a comparison of reported selling prices with a replacement cost estimate provided the best residual method for isolating site value. Many counties report subtracting the value estimate derived via the National Appraisal Guide (NADA) for Mobilehomes/Manufactured Housing from the confirmed selling price of the mobilehome, while others employ a depreciated replacement cost derived via state cost factors (Assessors' Handbook Section 531.35). A few counties ignore selling price and rely strictly on a cost approach. They feel that this approach entirely eliminates site value and promotes equalized mobilehome assessments throughout the county.

All these approaches can be valid if properly used. We should note that the NADA/NAG system can yield a reasonable indicator of value only if it is applied with rigorous discipline. The NADA system is based on a data bank of actual sales of mobilehomes that have occurred throughout the United States. Consequently, there are numerous adjustments that must be made to the basic retail chart value of the mobilehome unit to adapt it to local market conditions. Unless the correct procedure is followed, the value indicator so derived will be unreliable. We strongly recommend that each county procure some formal instruction for its mobilehome appraisal staff in the proper application of recognized value guides such as the NADA/NAG system. This can be done by sending staff to one of the appraisal seminars conducted periodically throughout California by NAG instructors, or to workshops conducted by the State Board's Assessment Standards Division.

We should also note that the NADA/NAG system for appraising mobilehomes includes a twofold adjustment for location. According to the editors of the Guide, this adjustment is intended to adjust the values of mobilehomes sited in rental parks to reflect both current supply-demand factors and the desirability of the particular park. It is a flat percentage adjustment, upward or downward, to the average book retail value that has been adjusted for condition, components and cost of any needed repairs. For property tax purposes, the total taxable value of the mobilehome derived via the National Mobilehome/Manufactured Housing Appraisal System is its total average book retail value, adjusted only for condition, components and cost of repairs. No in-park location adjustment may be made. We feel that the NADA/NAG value, if derived in this manner, can be a valid indicator of "full cash value" as prescribed by law.^{5/}

5/ Revenue and Taxation Code, Section 5803. See Appendix 3.

Most counties indicated, in response to Question 17, that they establish base years and base year values for the various components of the total mobilehome unit in accord with our guidelines.^{6/} Determining the base years for land, mobilehome, set-up costs and accessories presents no problem for the counties. Several sources, including information from the assessee, depreciated replacement cost estimates and references to recognized value guides, aid the counties in this task.

Since local efforts to discover delinquent mobilehomes have been continuing for over four years now, it is likely that few mobilehomes with longstanding delinquencies will be found in the future. Thus the problem of valuing mobilehomes and accessories whose actual age may not be known will soon be negligible. Recent legislation (Senate bill 1841, enacted as Chapter 1760, Statutes of 1984) goes even further toward eliminating this problem by ending automatic transfers of delinquent mobilehomes to local tax rolls. No delinquency occurring on or after October 1, 1984 can result in a mobilehome becoming locally taxable.

Question 24, relating to base years for delinquent mobilehomes, was worded so as to imply that two different dates of valuation could apply. The question leads one to think that the date of valuation for a delinquent mobilehome that did not appear on the HCD delinquency listing is the date that the mobilehome's delinquency was discovered by the assessor; and that the date of valuation for a delinquent mobilehome that did appear on the HCD listing is its full cash value on the lien date immediately following the 120th day of delinquency. In fact, however, the law provides that in both cases the proper date of valuation is the lien date for the fiscal year in which the mobilehome is first enrolled ^{7/}, and that enrollment must occur on the roll for the lien date next succeeding either discovery or the 120th day of delinquency, whichever applies.^{8/}

Although only four of the 56 responding counties reported having a problem separating date of discovery and date of delinquency, we have no confidence that the negative responses of the remaining 52 counties mean that they are properly identifying the dates of valuation for delinquent mobilehomes. Our lack of confidence is due to the poor wording of Question 24. It may have been misleading because it incorrectly characterizes the law.

C. TRANSFERS OF MOBILEHOMES

Questions 21, 22, 32, 33, and 34 concerned mobilehome transfers. In response to Question 21, only two of the responding counties indicated that there were any mobilehome parks that required tenants to sign leases for a term of 35 years or longer. Presumably, the execution of such a lease would result in the county assessor reappraising the leased space.

6/ See the Board's Letter To Assessors 80/4, Question and Answer 4, and Letter 80/112, Question and Answer 4. Both letters are referenced in Appendix 4.

7/ Revenue and Taxation Code, Section 5802(b). See Appendix 3.

8/ Revenue and Taxation Code, Section 5812(b). See Appendix 3.

Question 22 concerned how counties handled the problem of tracking the changes in ownership of mobilehomes located in rental or lease parks as well as those located on fee land.

Forty-six of the responding counties rely primarily on the annual occupancy reports that mobilehome park owners or operators have been required to file since 1980.^{9/} The remaining ten counties indicated that they employed no active discovery mechanism for private party transfers in which the registration was not changed on official HCD records. Instead, they passively relied on voluntary contact by the seller or purchaser as a means of discovering such changes in ownership.

For private party transfers of mobilehomes located outside of rental parks, 11 of the responding counties report learning of such sales when the underlying fee land is conveyed by grant deed. This applies both to mobilehomes on permanent foundation systems and to those taxable mobilehomes that are set up on conventional movable pier and skirting systems. The remaining 45 counties indicated mostly that they take no action until the seller receives the property tax bill and then complains to the county assessor or county tax collector that he or she no longer owns the mobilehome. A few counties rely on routine field inspection to discover such transfers. A few more indicated they simply have no method for identifying such transfers.

Recent legislation ^{10/} has eliminated the requirement that mobilehome park owners or operators annually file an occupancy report showing changes in space tenancies. Instead, HCD now supplies to each county assessor a monthly computer-generated listing of all changes in titles and new registrations of mobilehomes sited in his or her county. This listing includes all new mobilehomes, sold by a dealer, which are being registered for the first time, as well as used taxable mobilehomes, whether they are being sold by a dealer or by a private party.

We anticipate that this change in the law will virtually eliminate any difficulty in discovering transfers of mobilehomes located both inside of and outside of rental parks, provided that the sale involves a formal transfer of title on HCD records. Why? Because HCD has experienced much greater success working with dealers and mobilehome owners than have county assessors. Dealers who fail to report the transfer of a mobilehome to HCD within five days as required by law ^{11/} are subject to disciplinary action by HCD which can in extreme cases result in suspension or revocation of a dealer's license to do business. Dealers are therefore very careful to report all mobilehome sales to HCD. The monthly transmittal of transfer information to county assessors ensures ease of enrolling supplemental assessments of taxable mobilehomes. The new system is both more timely and more accurate. Counties have seldom received occupancy reports from more than one-half of the mobilehome park operators, anyway, so the reporting requirement formerly imposed was ineffective at best.

9/ Revenue and Taxation Code, Section 5841, prior to October 1, 1984 amendment. See Appendix 3.

10/ Senate Bill 1841 (Chapter 1760, Statutes of 1984). See highlights of bill in the Board's Letter to Assessors 84/108 in Appendix 4.

11/ Vehicle Code, Section 5901(a). See Appendix 3.

Question 32 asked whether county assessors are receiving dealers' reports of sale. The question indicated that Senate Bill 1422 amended Vehicle Code Section 5901 to require dealers

to so notify the county assessor. We must here set the record straight. Senate Bill 1422 (Chapter 285, Statutes of 1980) did indeed impose this requirement, effective July 1, 1980; however, subsequent legislation 12/ modified this requirement by transferring it to Section 18080.5, Health and Safety Code, and lengthening reporting time from five to 10 days. Therefore, our questionnaire was in error as to Question 32. Fifty-three of the 56 responding counties indicated that they regularly receive reports of sale in reasonably complete form. The only complaints involved inconsistent reporting by dealers located out of county and poor situs descriptions. To remedy this latter problem, HCD has imposed more stringent requirements on dealers. If the "Location Address of Unit" line on forms HCD 480.1 (Report of Sale – New Mobilehome) or 480.3 (Report of Sale – Used Mobilehome) is incomplete or does not, for mobilehomes sited outside of rental parks, indicate a general description of the nearest rural road or intersection, HCD will not process the dealer report. HCD staff will first obtain the missing information from either dealer or purchaser and then resume the processing of the report of sale. This policy, which began after our questionnaire was mailed, has greatly improved the county assessor's ability to locate taxable mobilehomes reported by HCD. Since January 1, 1983, HCD has been mandated by law to transmit monthly listings to each county assessor of mobilehomes that are delinquent, voluntarily transferred to local property taxation, newly registered, or whose title has transferred since the last monthly listing.^{13/} Every mobilehome thus reported is identified on the listing as to its location address. This feature has greatly improved county mobilehome assessment programs.

Question 33 asked whether the lack of congruence between licensing periods and the property tax year (July 1 – June 30) caused problems. Sixteen of the 56 responding counties indicated that the only problems they experienced were the occasional complaints from assessees about double taxation (both vehicle license fee and property tax due for same period of time) and the lateness of HCD's notification to counties of mobilehome delinquencies. Both problems will soon disappear because of recent legislation 14/ which ends the mandatory transfer of delinquent mobilehomes from vehicle license fee to local property taxation. Since the December 1984 listing, HCD no longer reports delinquencies, but continues to report new registrations, transfers of title to taxable mobilehomes, and voluntary transfers to local property taxation. Of these three categories, only the last could possibly involve overlapping periods of license fee and property tax. In this regard, the law specifically prohibits refunds of registration and license fees applicable to the period between date of voluntary transfer and expiration of registration period.^{15/}

12/ Senate Bill 1193 (Chapter 975, Statutes of 1981), effective January 1, 1982; Senate Bill 1035 (Chapter 1124, Statutes of 1983), effective January 1, 1984; and Senate Bill 1928 (Chapter 1342, Statutes of 1984), effective September 26, 1984. See Appendix 5.

13/ Health and Safety Code, Section 18119(b). See Appendix 3. Note that delinquencies commencing July 1, 1984 and thereafter will not appear on monthly listings from HCD.

14/ Senate Bill 1841, effective October 1, 1984, as Chapter 1760 of the Statutes of 1984. See Appendix 5.

15/ Health and Safety Code, Section 18119(c). See Appendix 3.

Question 34 related to match-up of dealers' reports of sale with HCD listings of new registrations and transfers of title. Sixteen counties of the 56 that responded felt that the match-

up was less than adequate. Counties are relying increasingly upon monthly HCD listings to apprise them of mobilehome transfers, so the importance of dealer reports to county assessors has diminished. Although dealer reports of sale contain valuable information about items included in the purchase price, such as accessories, delivery charges and set-up costs—information not usually available on monthly HCD listings—the county assessor is free to mail a change in ownership statement to a reported mobilehome transferee in order to obtain this information. Sections 480 and 482 of the Revenue and Taxation Code allow this action and require the assessee to comply with the county assessor's request under penalty of law.

D. VALUATION OF MOBILEHOMES

It required many questions to cover all aspects of this topic. Questions 18-20, 23, 25, 26, 31, 35-37, and 41 dealt with the appraisal of mobilehomes for property tax purposes.

The counties appeared to be evenly divided as to favored approach to value. Slightly more than one-half of the respondents rely primarily on replacement cost estimates to value mobilehomes, while the balance rely mainly on market data.

Of the cost approaches available, 16 counties indicated that they rely on one cost guide to the exclusion of all others. The other 39 responding counties employ two to four different published cost guides, depending on which works best under different circumstances. Fifty counties include the State Board's mobilehome cost factors (Assessors' Handbook Section 531.35) in their cost work-ups; 23 counties employ the NADA/NAG systems; 20 counties rely on the Marshall Swift cost service; 18 counties use the Kelley Guide (Blue Book); and two counties occasionally use the Berner Mobilehome Blue Book.

Since many counties employ either the Kelley Guide or the NADA/NAG systems, and since a recent legislative enactment makes consideration of a recognized value guide mandatory for county assessors 16/, we have devised suggested worksheets for use by property tax appraisers who wish to employ these two value guides. Exhibit 1 is a form intended to adapt the NADA/NAG system to property tax purposes. This worksheet must be used with the current version of the NADA Appraisal Guide, which is updated three times a year. This worksheet starts with the "Average Retail Book Value" that includes certain basic components such as refrigerator, running gear, water heater, furnace, etc. This basic value is then adjusted by a percentage factor which accounts for both the observed physical condition of the mobilehome and the amount and kind of component equipment included with it. Next, the cost of estimated repairs is deducted, then components and accessories are inventoried, costed, and added to the adjusted Average Retail Book Value. The total is the NADA indicator of full cash value for property tax purposes. Please note that there is no locational adjustment made on this worksheet. Nonassessable site value is excluded by means of this deliberate omission (see discussion of this issue in Section B, Establishing Base Years for Mobilehomes).

16/ Senate Bill 797 (Chapter 807, Statutes of 1983). See Appendix 5.

Exhibit 2 is a worksheet intended for use with the Kelley Guide. Note that the worksheet suggests using a mobilehome park of classification of "3" (Standard). This does not mean that

the park location will be valued. It is necessary to assign a park quality rating simply because the mobilehome additives (such as porches, awnings, carports, storage sheds, and garages) are listed only in the "Location and Value Chart" contained in the Kelley guide, and in order to estimate the value of these additives via Kelley, a classification rating must be assigned. So, county assessors' staff must remember to use this chart only to estimate the value of the additives. There must be no adjustments for density, view, facilities, rent levels, number of vacancies or number of single wides, because these are elements of nonassessable site value.

The basic price from this chart will be adjusted for excess depreciation if the mobilehome is too old to appear on the Kelley Guide. Kelley currently lists values for mobilehomes dating back no further than 1975. The value of expando or "tag" rooms is then added. The subtotal represents the wholesale value of a mobilehome located outside of a rental park. Note that the NADA value, by contrast, is at retail level. Optional equipment is costed and added, then accessories are added via the point rating method found in the "Location and Value Chart" previously described. This subtotal, consisting of the values of the basic mobilehome, optional equipment and accessories, is finally converted from wholesale to retail level through a final table look-up. The resulting amount represents the Kelley indicator of a taxable mobilehome's full cash value for property tax purposes.

Six counties indicated that they value taxable mobilehomes at amounts greater than their reported selling prices; 25 counties enroll values lower than selling price; and 24 counties assess at selling price. Those in the second category generally feel that some premium is paid for in-park location in most sales of mobilehomes located in rental parks, and that it is necessary either to adjust the nominal selling price downward by a lump sum or to rely on a replacement cost estimate of value made as of date of transfer.

Twenty-six counties rely on actual age as an indicator of mobilehome depreciation when valuing used mobilehomes, while 30 counties rely on observed effective age. Actually, table depreciation should always be adjusted to reflect both deferred and extraordinarily good maintenance. This is a proper part of the appraisal discipline to be followed whenever employing the cost approach.

EXHIBIT 1
WORKSHEET
For use with the N. A. D. A. Appraisal Guide

GUIDE BOOK EDITION	Date
MANUFACTURER	
MODEL	PART 1, page year
UNIT SIZE:	net width net length
overall measurements: gross width gross length	
Region	State PART 2, Value Chart \$
Tag-A-Long, Expando, or Tip-Out:	depth width \$
AVERAGE RETAIL BOOK VALUE \$	
Condition	PART 3, Chart , page
Estimated Economic Life yrs	Condition & Components Adjustment x _____%
CONDITION AND COMPONENTS ADJUSTED VALUE \$	
Estimated Cost of Repairs (Deduct) (-\$)	
House Type Siding	\$
House Type Roofing	\$
Doors (in addition to standard)	\$
Windows (in addition to standard)	\$
Insulation/Sheathing	\$
Air Conditioning	\$
Heating	\$
Plumbing	\$
Water Heater	\$
Electrical (in addition to standard)	\$
Carpeting (complete)	\$
Fireplace	\$
Wet Bar	\$
Sink	\$
Garbage Disposal	\$
Range	\$
Oven (s)	\$
Dishwasher	\$

EXHIBIT 1 (Continue)

Trash Compactor \$
 Additional Bathroom(s) \$
 Bath Fixtures (in addition to standard) \$
 Miscellaneous \$ _____

COMPONENTS SUBTOTAL \$ _____

Total Average Retail Value of Home and Components \$ _____

Skirting _____ lineal feet @ \$ _____.____ \$
 Porch/Deck _____ \$ _____.____/ft \$
 Porch/Deck _____ \$ _____.____/ft \$
 Enclosure Room (in addition to Porch) _____ \$
 Awing _____ width _____ length _____ \$ _____.____/ sq ft \$
 Carport _____ width _____ length _____ \$ _____.____/ sq ft \$
 Unitizing: _____ lineal feet @ \$ _____.____ \$
 Garage _____ width _____ depth _____ \$ _____.____/ sq ft \$
 Storage Bldg _____ width _____ depth _____ \$ _____.____/ sq ft \$

ACCESSORIES SUBTOTAL \$ _____

Total Estimated Value of Home, Components, and Accessories \$ _____

EXHIBIT 2

WORKSHEET

For use with the Kelley Blue Book

BLUE BOOK EDITION _____ Date _____

PARK CLASSIFICATION _____ (use "3" for homes not in a park)

MAKE _____

MODEL _____ CODE _____

Net Length _____ Net Width _____ Model Year _____

OLDER MODEL DEPRECIATION (DEDUCT _____%) \$

EXPANDO OR TAG-A-LONG ROOM Width _____ Length _____ \$ _____

WHOLESALE BLUE BOOK SUBTOTAL \$

OPTIONAL EQUIPMENT VALUES

Composition Roof _____ \$

Windows _____ \$

Energy Saving Package (insulation) \$

Air Conditioning _____ \$

Wet Bar \$

Electric Kitchen (instead of gas) \$

Oven(s) (in addition to standard) _____ \$

Dishwasher \$

Bath(s) (in addition to, or deduct if less than standard) _____ \$

Other _____ \$

OPTIONAL EQUIPMENT SUBTOTAL \$ _____

BLUE BOOK TOTAL FOR HOME & OPTIONAL EQUIPMENT \$ _____

SKIRTING _____ feet @ \$ _____ \$

PORCH _____ Width _____ Length _____ POINTS

PORCH _____ Width _____ Length _____ POINTS

AWNING _____ Width _____ Length _____ POINTS

CARPORT _____ Width _____ Length _____ POINTS

GARAGE _____ POINTS

STORAGE SHED _ Width _____ Length _____ POINTS

TOTAL POINTS AND POINT VALUE: _____ POINTS

ACCESSORIES SUBTOTAL \$ _____

BLUE BOOK TOTAL FOR HOME, OPTIONAL EQUIPMENT, & ACCESSORIES \$

Retail FAIR MARKET VALUE (use RETAIL CONVERSION CHART) \$ _____

Twenty-four counties make appraisals of mobilehomes as soon as they appear on HCD'S 120-day delinquency listing. Sixteen counties, apparently recognizing the possibility of reinstatement, delay making the appraisal until the end of the 210-day reinstatement filing period authorized by law.^{17/} The remaining 16 counties responded that they simply try to complete the mobilehome appraisals before the closing of the Section 601 secured roll. With the passage of Senate Bill 1841 in 1984, however, mandatory transfer of delinquent mobilehomes to local tax rolls are now a thing of the past. Also, because the last day for filing a petition for reinstatement under the Assembly Bill 1400 program ^{18/} was December 31, 1984, there should be no future concern over whether to delay the enrollment of mobilehomes. Mobilehomes sold new on or after July 1, 1980, are automatically taxable and, if the transfer occurs on or after July 1, 1983, are also subject to supplemental assessment, which necessitates early enrollment. Mobilehomes that are voluntarily transferred to property taxation at the owner's request are not subject to supplemental assessment, but must instead be enrolled on the regular (Section 601) secured roll for the lien date following the effective date of the transfer. March 1 is the proper date of valuation for such mobilehomes.^{19/} Voluntary transfer is final and irreversible; therefore, there is no reason to delay enrollment.

Regarding methods of discovering delinquent mobilehomes not listed on HCD's delinquency report (Question 31), more than one-half of responding counties rely mainly on field discovery. Several counties indicated that they lack the manpower necessary to make routine canvasses of rental parks. Instead, they rely primarily on the annual mobilehome park operator's report to apprise them of mobilehomes newly sited in parks, some of which may be delinquent as to vehicle license fee. Regardless of which discovery mechanism they employ, most counties agree that discovery of delinquent mobilehomes remains the assessor's greatest task in assessing mobilehomes. Fortunately, current law (Senate Bill 1841, previously discussed) eliminates the necessity of discovering newly delinquent mobilehomes.

Only two counties find close agreement between replacement cost new, derived via whatever cost factors the assessor chooses to use, and the selling price of a new mobilehome as indicated by the dealer's report of sale. Thirty-seven counties feel that there was some agreement between these figures, while 17 feel that there is too great a difference between the reported selling price of a new mobilehome and the replacement cost new derived from recognized value guides. Nine counties find reported selling prices to be higher than indicators derived from cost manuals, while 14 find them to be lower. The remainder of the counties that responded report mixed findings.

We feel that it is futile to expect accord between cost factors and selling prices reported by dealers. There are many variables in the circumstances of each sale that cannot be accounted for in a value guide. County assessors would fare better by relying on uniformly applied value guides than on dealer's reports of sales, which are at best incomplete and haphazardly received.

^{17/} Revenue and Taxation Code, Section 10910. See Appendix 3.

^{18/} See discussion of this point in Appendix 2, heading C, dealing with mobilehome reinstatement statistics.

^{19/} See Question and Answer 4 in the Board's Letter To Assessors 83/128, dated December 6, 1983, referenced in Appendix 4.

Besides, since a field inspection should be conducted before working up any replacement cost indicator, there is probably greater accuracy in the cost approach. The relevant details about the subject mobilehome can more readily be obtained in the field than from a dealer's report.

Only one county reports that indicators prepared from cost manuals always equal selling prices of mobilehomes set up in parks. Thirty-two counties find that they were generally close, while the remaining counties respond that the cost guides were unreliable indicators of in-park selling price. Sixteen counties find that value guides produce indicators higher than the value guides; 13 counties report mixed results. Nine counties did not answer Question 36.

Question 37 asked what, in counties' opinions, caused the divergence in indicators referred to in the preceding question. The responses were so varied and conjectural that it was difficult to make any general observations about them. Some counties blame site value, which was not reflected in the cost factors; some focus on the difficulty of accurately estimating the observed depreciation of a used mobilehome; and still others feel that all costs selected from value guides fail to reflect the vagaries of local markets.

Thirty-one counties are opposed to the adoption by all counties of any single valuation guide as the basis for mobilehome assessment in California (Question 41). Twenty-five counties favor such a mandatory value standard. Those opposed to the idea commented that valuation should be the county assessor's sole province, based on judgment and knowledge of local market conditions, and should never be relinquished in favor of a table of dollar values assigned by rote. Those in favor were interested in seeing greater uniformity and consistency in mobilehome assessments throughout the state.

This argument is insoluble, since both sides have merit. Our position is that all recognized value guides will produce satisfactory results, within a reasonable margin of tolerance of each other, but only if properly applied. It takes training and effort to correctly use the Assessors' Handbook Section 531.35, the NADA/NAG system, Kelley Blue Book, or any of the other recognized value guides. There simply are no shortcuts to producing a quality mobilehome appraisal, regardless of the approach employed.

E. MOBILEHOME ACCESSORIES

Questions 11 through 15 explored the subject of mobilehome accessories. The statutory definition of mobilehome accessory includes both portable and permanently installed items.^{20/} Accessories may be real or personal property but, unless they qualify as household furnishings within the context of the law ^{21/}, they are generally subject to local property taxation, whether or not the mobilehome to which they belong is taxable.

^{20/} Health and Safety Code, Section 18008.5. See Appendix 3.

^{21/} Revenue and Taxation Code, Section 224 and Property Tax Rule 134. See also Revenue and Taxation Code, Section 5805 for special treatment of accessories that are personal property. This issue is discussed on the following pages of Section E of this report.

More than 90 percent of responding counties indicated that they assess awnings, skirting, carports (whether attached or detached), storage buildings, and cabanas. Only one-half of responding counties indicated that they assess fences. The problem with fences is determining who owns them. Many counties find it simpler to ignore them than to determine their ownership.

In parks requiring leases rather than month-to-month rentals, the written lease agreement determines ownership of leasehold improvements. Mobilehome accessories such as fences are affixed to the land and may be leasehold improvements. Most county assessors prefer to avoid the legal issue of ownership of these improvements, so they do not assess low-valued items to either the mobilehome park owner or to the individual tenant. About two-thirds of the counties do not assess flatwork, masonry walls, or landscaping, while one-third of the counties do enroll these land improvements. The reason for the reluctance of many counties to enroll these items is, again, the problem of ownership.

Forty-seven counties assign the same economic lives to mobilehome accessories as to the mobilehomes themselves. Only 9 counties assign differing economic lives to accessories and mobilehomes. If counties are relying on a replacement cost approach derived from state cost factors, it is reasonable to apply different lives and percent good figures to the accessories. The NADA/NAG and Kelley systems, however, do not lend themselves to component depreciation, so counties employing these value guides should adhere strictly to the instructions furnished by the editors of these guides to order to achieve a valid indicator of full cash value.

Thirty-two counties indicated that they do not treat accessories accompanying currently licensed mobilehomes the same as accessories accompanying locally taxable mobilehomes. Twenty-four counties responded that they treat both categories similarly for assessment purposes. Forty-five counties treat accessories to mobilehomes located within a rental park the same as accessories found with mobilehomes located on fee land (owned by the mobilehome owner). Eleven counties indicated that they follow a different policy for each category of accessories, such as not assessing any accessories to currently licensed mobilehomes sited in rental parks. These counties argue that they lack sufficient resources to complete such a large volume of assessments, and, in addition, the low market value of such accessory packages means that assessments would not be cost effective.

Fifty-four counties responded to Question 14. Seventeen of them reported that they have always assessed mobilehome accessories. The other 37 either do not yet assess them or have only recently begun assessing them. Most counties in this latter category began enrolling accessories after July 1, 1980.

Nineteen counties apply Section 155.20 of the Revenue and Taxation Code to those mobilehome accessories that accompany currently licensed mobilehomes in order to avoid mailing out tax bills for small amounts. This section provides that, when the board of supervisors has adopted an enabling ordinance, low-valued taxable real and personal property may be exempted from assessment. Thirty-five counties do not apply this section to mobilehome accessories, presumably because their boards of supervisors have not adopted exemption ordinances. It is noteworthy that a 1984 legislative enactment (Assembly Bill 511, Chapter 1040, Statutes of 1984) increased the amount of the exemption to a maximum of \$2,000.^{22/}

^{22/} See subject section in its amended form, effective January 1, 1985, in Appendix 3.

Given the lack of enthusiasm with which most counties approach the assessment of mobilehome accessories, our recommendation is that county assessors urge their county boards to adopt an ordinance pursuant to Section 155.20. Most assessments of mobilehome accessories accompanying currently licensed mobilehomes could thereby be exempted, since the full cash value of the accessories package seldom exceeds \$2,000.

One other source of relief for county assessors is the rebuttable presumption established by current law ^{23/} that mobilehome accessories installed on leased land with a currently licensed mobilehome first sold prior to January 1, 1977, are subject to the vehicle license fee and therefore are not subject to local property taxation. This provision was put into effect immediately after we mailed out our questionnaire.^{24/} Lacking access to the old DMV records which show calculations of license fee bases, county assessors cannot overcome this statutory presumption and may not assess this category of mobilehome accessories. Of course, this section does not apply to mobilehome accessories located on fee land, nor does it apply to accessories that are permanently affixed to land, as on a foundation. We urge county assessors to enroll all mobilehome accessories located on fee land, whether or not the mobilehome itself is taxable, unless the owner of a currently licensed mobilehome can demonstrate that the value of such accessories was included in the base used to establish the vehicle license fee. And, even if the assessor can demonstrate this, any accessory which qualifies as real property because it is affixed to the land must be enrolled. Exemptions of real property can only be authorized by the California Constitution. There is nothing in the Constitution that provides a categorical exemption from property taxation for mobilehome accessories that are real property. To fail to enroll these accessories is contrary to Article XIII, Section 1, which mandates that all property is taxable unless specifically exempted by the State Constitution or federal law and shall be assessed in proportion to its value.

F. MOBILEHOME EXEMPTIONS

Several special exemptions applicable to mobilehomes were referred to in Questions 28 and 29. These special circumstances involve mobilehomes that are owned by military personnel who claim residency outside California or are located on federal enclaves or Indian reservations.

Fourteen counties reported a total of approximately 700 mobilehomes owned by servicemen who are stationed at military bases in California but claim out-of-state residency. The greatest concentration of these mobilehomes is in the counties of Santa Barbara and San Diego, due to the presence there of large naval bases. None of the 14 counties reporting these mobilehomes encountered any serious problem in assessing or exempting them.

^{23/} Revenue and Taxation Code, Section 5805. See Appendix 3.

^{24/} Senate Bill 191 (Chapter 349, Statutes of 1983), effective as an urgency statute July 25, 1983. See Appendix 4 for the Board's Letter to Assessors 83/86, dealing with this issue. Also see Appendix 5 for reference to Senate Bill 191.

We have stated our policy regarding this category of mobilehome in the regular course of sending advisory letters to all counties.^{25/} Basically, federal law provides that a person on active duty in military service may declare the situs of his or her personal property to be his or her home state. This declaration renders the personal property immune from taxation in the state where the individual is stationed on active duty. The applicability of this law (Soldier's and Sailor's Civil Relief Act of 1940) to the California vehicle license fee has been confirmed by the United States Supreme Court (California v. Buzard 382 U.S. 386, 15L ed. 2d 436). The vehicle license fee was declared by the court to be a personal property tax and hence not applicable to a licensed mobilehome owned by a serviceman who was on active duty in California but claimed residency in another state.

Although such mobilehomes are technically not subject to the VLF, they have at times appeared on HCD delinquency listings because the HCD computer scanned only for the expiration dates of licensed mobilehomes. It did not distinguish between mobilehomes that are exempt from the ILT (in-lieu tax) portion of the total fee due and those that are not. Once a mobilehome became more than 119 days delinquent as to either the registration fee or the license fee, HCD turned it over to the county assessor for enrollment. The county assessor then assessed the mobilehome and, if the mobilehome's location (such as on a military base) implied ownership by an active duty service person, obtained from the mobilehome owner a completed declaration, such as is illustrated in Exhibit 3, that the mobilehome was immune from taxation.

The same criteria we have previously recommended for determining whether a mobilehome is real or personal property ^{26/} should also be applied to mobilehomes owned by military personnel on active duty in California who claim residency in another state. The application of the Soldier's and Sailor's Civil Relief Act to mobilehomes has been tested in federal courts (see U.S. v. Shelby County, Tennessee D.C. Tenn. 1974, 385 F. Supp. 1187; U.S. v. Chester County Board of Assessment and Revision of Taxes, Westchester, Pa. C.C. Pa. 1968, 281 F Supp. 1001). The federal trial courts have held that a mobilehome is to be considered personal property within the meaning of Title 50, Section 574 of the United States Code unless it can be clearly shown that the mobilehome is permanently affixed to the land. Relating this idea to California property tax laws and the body of court cases and administrative regulations governing fixtures, we conclude that most mobilehomes could be construed to be personal property for purposes of exemption under this Act. One exception to this is the mobilehome that has been affixed to an approved foundation system in compliance with Section 18551 of the Health and Safety Code (see Appendix 3). Such affixation causes the mobilehome to be deemed an improvement to the land to which it is affixed. After affixation, the mobilehome is no longer subject to the vehicle license fee (assuming it was currently licensed prior to affixation), but must be assessed by the county assessor as real property. Our position is that such affixed mobilehomes are not eligible for exemption under the Soldier's and Sailor's Civil Relief Act of 1940, but that other mobilehomes owned by active duty military personnel claiming out-of-state residency may be exempt, if the county assessor has already determined that they do not possess the necessary characteristics of real property.

^{25/} The Board's Letter To Assessors 81/54, dated April 17, 1981. See reference in Appendix 4.

^{26/} See footnote 1 in Section A.

EXHIBIT 3

SOLDIER'S AND SAILOR'S CIVIL RELIEF ACT DECLARATION

To _____
(Assessor's Name)

Assessor of _____ County

(Assessor's Office Address)

Name of Serviceman _____

Mailing Address _____

I hereby state:

1. I am a person in the Armed Forces of the United States within the meaning of the Soldiers' and Sailors' Civil Relief Act (50 Appendix U.S.C.A. Section 510-590, as amended); my rank, serial number and organization are as follows:

RANK _____ SERIAL NO. _____ ORGANIZATION _____

2. I am not a resident of the State of California or County of _____ and I am in this State solely by reason of compliance with military or naval orders.

3. My residence is in the State of _____ at:
Street Address: _____ City or Town: _____
County _____.

4. I last registered to vote or voted in the year _____ in the City of _____,
County of _____, State of _____

5. I am the registered owner of an automobile: Make _____, Model _____;
License No. _____ registered in the State of _____
for the year _____.

6. I will not claim the veteran's exemption on any property of California.

7. I am the legal owner of the following described personal property, located in California:

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

(Signature)

(Date)

Federal enclaves present a special concern. A federal enclave is an area where the jurisdiction of the federal government is exclusive because the state has ceded to the United States its power to tax private property located on such land. The important determination to be made is whether or not a federal reservation was created before September 19, 1939. After this date, California generally reserved the power of taxation whenever it granted lands to the federal government.

The 12 counties having mobilehomes located on federal enclaves indicated that they generally have no problems tracking them. One county annually receives an updated computer printout from the military base housing office which shows all new or terminated residents in the base mobilehome park. This enables the county assessor to determine which mobilehomes should be exempted. If a mobilehome is moved out of a federal enclave, it may become taxable if it was excessively delinquent as to vehicle license fee or was first sold new after June 30, 1980, and is not eligible for protection under the Soldier's and Sailor's Civil Relief Act. For this reason, county assessors need to track the comings and goings of mobilehomes and mobilehome owners in federal enclaves.

There are approximately 400 mobilehomes located on Indian lands in 28 counties. Because these mobilehomes are owned by Indians who are members of the governing tribe and are located on lands held in trust for the Indians by the Bureau of Indian Affairs, they are exempt from taxation. It is the combination of situs and ownership that renders these mobilehomes exempt. By contrast, a mobilehome owned by an Indian but located outside of a reservation on privately owned land is subject to the vehicle license fee or to local property taxation, as is a mobilehome located on a reservation but owned by a person who is not a member of the governing tribe. In this latter situation, there may even be a taxable possessory interest in the land upon which the mobilehome is sited.

G. RELATIONS WITH MOBILEHOME ASSESSMENT COMMUNITY

Questions 39 and 40 dealt both with problems counties have had with county tax collectors and others in the mobilehome assessment community and with possible solutions to these problems. None of the responding counties reported any major problems with their tax collector-assessor relations.

The county tax collector's main role in the mobilehome assessment process, aside from collecting mobilehome property taxes, is issuing tax clearance certificates as authorized by law.^{27/} The content of these certificates is prescribed by the State Controller. The filing of a tax clearance certificate is a prerequisite to transferring the registration of any taxable mobilehome. A tax clearance certificate is not required by HCD for reinstatement under Senate Bill 1841 or waiver of delinquency under Senate Bill 1343. HCD supplies applicants under these programs with special claim forms which feature a section to be completed by the county tax collector verifying current payment of local property taxes. Some county assessors have opted not to

^{27/} Revenue and Taxation Code, Section 5832. See Appendix 3.

enroll many of the mobilehomes that have become 120 days or more delinquent as to vehicle license fee. When the owner of such a mobilehome files either a tax clearance certificate or a request for waiver under Senate Bill 1343 or Senate Bill 1841, HCD will note that the county tax collector has indicated no fees or taxes have been collected and will charge the mobilehome owner the license fee and penalty for each year of delinquency. If the tax clearance certificate or request for waiver indicates that the taxes are paid current on a mobilehome that has already been enrolled, HCD will then establish the last day of the applicable property tax period covered by the two installments payable on the secured roll (December 31 or June 30) as the new expiration date of the mobilehome's annual registration and license fee.^{28/}

Most counties responded negatively in their comments about HCD (the Department of Housing and Community Development). Their criticisms were primarily of inaccurate and late HCD delinquent listings. The inaccuracies consisted of such things as reporting only one section of a multiwide, showing the wrong person as registered owner or listing an incorrect address, giving inadequate situs descriptions, and erroneously listing a currently licensed mobilehome as delinquent.

We feel that at this date the overall quality of assistance from HCD has improved considerably, due to changes in the law and an enhancement of HCD's computer capabilities. HCD now reports to the counties, on a monthly basis, voluntary transfers to local property taxation, new registrations and transfers of title. All listings now include situs addresses. HCD consolidates license numbers for multiwide mobilehomes into a single decal number whenever the registration of such a mobilehome is transferred to a new owner. Since delinquencies have not been reported on HCD listings since December of 1984, the problem of late or erroneous reporting of 120-day delinquencies has disappeared.

Some problems exist at the local level as well as the state level, according to a few counties. One county reported difficulty in obtaining identification information (decal numbers) from local building permits issued for new mobilehome installations.

H. THE FUTURE OF MOBILEHOME ASSESSMENT

Question 38 asked counties for their recommendations for improving mobilehome tax law. The single most common suggestion was that all mobilehomes be made subject to either the vehicle license fee or local property tax. County assessors are frustrated at the division of responsibility that characterizes the taxation of mobilehomes. They point out that HCD uses one value base for licensed mobilehomes while county assessors use another for taxable mobilehomes; that communication between two agencies at different levels of government is often difficult; and that centralization of the registration, titling and taxation of all mobilehomes would be both more efficient and more economical.

^{28/} For the 1982-83 fiscal year only, Senate Bill 1343 established renewal dates of either April or December, depending upon when the waiver of delinquency was filed. See the first version of Revenue and Taxation Code, Section 10760, in Appendix 3.

More counties (21) wished to see all mobilehomes enrolled on local tax rolls, than wished to see them all returned to the in-lieu tax system administered by HCD (6). Five counties felt that HCD should retain the licensing and registration of all mobilehomes sold prior to July 1, 1980 and that county assessors should take responsibility for all other mobilehomes.

Generally, county assessors are displeased with the provisions of law that make delinquent mobilehomes automatically subject to local property taxation. They dislike administering a system of taxation that is essentially punitive: the mobilehome owner who fails to keep his or her mobilehome currently licensed can be "punished" by being subjected to local property taxes that will frequently be much higher than the in-lieu tax previously paid. The assessor and his staff often become the unwitting villains in this scenario. To compound this problem, the law has in the past allowed certain owners of taxable mobilehomes to obtain a reinstatement to the vehicle license fee, under the provisions of Assembly Bill 1400 or Senate Bill 1343. Now, under Senate Bill 1841, the possibility of reinstatement to VLF has been extended until the end of the 1986 calendar year. County assessors often sense that the considerable effort they have expended to inventory and assess delinquent mobilehomes has been a waste of time, because many of these mobilehomes will remain only briefly on local tax rolls. The county assessor is placed in a "no win" situation by being mandated to assess a class of property for which enrollment is seldom cost effective and is usually not permanent. Many county assessors believe the continual creation of "windows" for mobilehome owners whose homes have become taxable because of VLF delinquency serves only to undermine the integrity of our tax laws and indicates a lack of decisiveness and resoluteness on the part of our State Legislature. They ask, where are we headed with mobilehome assessments? What are we trying to achieve? And why is there such waffling on the part of our elected lawmakers?

Senate Bill 1841 may point the way out of this state of vacillation. It ends the continual flow of delinquent mobilehomes to the county assessor's tax roll, and instead subjects them to penalties imposed by HCD. If the amnesty portion of this bill succeeds in eliciting a large public response, most of the currently taxable mobilehomes will leave the local tax rolls within two years. Thereafter, only those mobilehomes the owners of which did not avail themselves of Senate Bill 1841, those mobilehomes sold new after June 30, 1980, and those voluntarily transferred by their owners to local property taxation will be the assessor's responsibility. The total number of mobilehomes on local tax rolls may well show a net increase 29%, but the average net assessed value of each mobilehome will probably also increase. Barring a future change in the law, newly sold mobilehomes will be irreversibly committed to local property taxation. A majority of the mobilehomes that became taxable through VLF delinquency are older single-wides of relatively low value, whereas newly sold mobilehomes tend to be more expensive multiwides. Thus, the increasing amount of the average assessment should make it finally cost effective to assess a mobilehome. This economic sense will be reinforced by the fact that the new mobilehomes will remain on the local tax rolls.

The State Board joins county assessors in hoping that future mobilehome tax legislation will continue the trend set by Senate Bill 1841. We need fair, firm and farsighted laws.

29/ See discussion in Appendix 2, Section B, for an explanation of the prediction.

APPENDICES

County _____
Person to Contact _____

MOBILEHOMES QUESTIONNAIRE

1. How many mobilehomes in your county are subject to property tax, and how many are not subject to the property tax? (Do not include mobilehomes on permanent foundations, since by law they are structures.)

Number (Please estimate if actual count is not available)

_____ Mobilehomes subject to property tax
_____ Mobilehomes (licensed) not subject to property tax
_____ Total mobilehomes

2. How many mobilehomes are on the roll because of delinquency of registration and license fee, and how many because they were purchased since July 1, 1980?

Delinquencies _____
Purchased since July 1, 1980 _____

3. How many petitions for reinstatement to registration and vehicle license fees have been filed in your county? _____

How many were granted? _____
How many are pending? _____

4. Who is responsible for the appraisal of mobilehomes in your county?

_____ Personal property crew
_____ Residential crew
_____ Central mobilehome crew
_____ A geographical crew
_____ Other (Title) _____

5. How do you classify mobilehomes subject to property tax in your county?

(a) All as improvements _____
(b) All as personalty _____
(c) Some as improvements & some as personalty _____
(explain) _____

6. Does your office have a policy for the classification of mobilehomes as improvement or personalty, such as all "singlewides" are personalty, while all "multiwides" are classified as improvements?

_____ No
_____ Yes (Describe) _____

7. Do you have a County Counsel's opinion on whether some or all mobilehomes are real property?

_____ No
_____ Yes (Describe) _____

8. Does your county require a permanent foundation when the mobilehomes are located outside a mobilehome park?

_____ No
_____ Yes

9. What criteria do you use to determine whether a mobilehome is permanently attached to a foundation and should be classified as a structure?

10. Is a foundation around the perimeter of a mobilehome considered to be a permanent foundation when it is constructed of poured concrete, brick, or baselite block?

_____ No
_____ Yes

11. Please indicate which of the following accessories or additions you assess, generally how are they classified, and whether you value them separately or as part of a total unit including the mobilehome:

	<u>Assessed</u>		<u>Classified as</u>		<u>Included in</u>		
	No	Yes	Imps.	P.P.	Total Value	No	Yes
a. Awnings	_____	_____	_____	_____	_____	_____	_____
b. Skirting	_____	_____	_____	_____	_____	_____	_____
c. Attached carports	_____	_____	_____	_____	_____	_____	_____
d. Attached porches	_____	_____	_____	_____	_____	_____	_____
e. Detached carports	_____	_____	_____	_____	_____	_____	_____
f. Detached porches (patios)	_____	_____	_____	_____	_____	_____	_____
g. Storage buildings	_____	_____	_____	_____	_____	_____	_____

	<u>Assessed</u>		<u>Classified as</u>		<u>Included in</u>		
	No	Yes	Imps.	P.P.	Total Value	No	Yes
h. Ramadas, pergolas cabanas and arbors	—	—	—	—	—	—	—
i. Fences (not owned by the park)	—	—	—	—	—	—	—
j. Concrete or asphalt flat work	—	—	—	—	—	—	—
k. Brick patio or wall	—	—	—	—	—	—	—
l. Decorative rock	—	—	—	—	—	—	—
m. Landscaping	—	—	—	—	—	—	—
n. Other	—	—	—	—	—	—	—

16. Senate Bill 1422 (Chapter 285, Statutes of 1980) added Section 5803 to the Revenue and Taxation Code which provides that the full cash value must exclude any "site value" when establishing a new base year value as a result of change in ownership of a mobilehome situated on a rented site. How do you determine this "site value?"

Explain _____

17. When a mobilehome is discovered that is not on the property tax rolls and does not have a current license, it must be assessed. Various components of such property could have different base years (see the Board's Letter To Assessors 80/4, question three) such as land, mobilehome, set-up costs and accessories. How do you:

- a. Establish the correct base year of these components?

- b. Correctly value such components, especially when they are already several years old?

18. Of the three approaches to value, how would you describe the frequency of their use in your valuation of mobilehomes?

	Always	Usually	Sometimes	Never
MARKET:	_____	_____	_____	_____
COST:	_____	_____	_____	_____
INCOME:	_____	_____	_____	_____

19. There are several different cost data sources available for valuing mobilehomes via the cost approach. From the following list, check the one(s) used in your county.

_____ KELLEY BLUE BOOK, MFG. HOUSING GUIDE, USED VALUES
_____ JUDY BERNER'S MOBILEHOME BLUE BOOK
_____ NADA MOBILEHOME MFG. HOUSING APPRAISAL GUIDE
_____ ASSESSORS' HANDBOOK, RESIDENTIAL BLDG. COST SEC 531.35
_____ MARSHALL AND SWIFT PUBLISHING CO.
_____ WHAT OTHER GUIDE(S)? _____

20. Are the values enrolled as a result of a resale of a mobilehome usually:

_____ an amount greater than the gross selling price?
_____ an amount less than the gross selling price?
_____ the same as the gross selling price?

Comments: _____

21. Are there any mobilehome parks in your county that require the tenants to sign a lease for a term of 35 years or longer?

_____ NO
_____ YES. HOW MANY? _____

22. How do you track transfers of mobilehomes that are private party sales where the parties don't complete the transfer through HCD?

a. In mobilehome parks _____

b. Not in mobilehome parks _____

- b. Which party do you assess?

The registered owner _____
Party in possession of signed pink slip _____

23. When estimating the value of a used mobilehome, which indicator of age do you use the most often to determine the amount of depreciation?

ACTUAL AGE _____
EFFECTIVE AGE _____

24. For mobilehomes sold new and those transferring, the base year value is determined as of the date of transfer. For mobilehomes not on HCD's delinquency list, the base year value is determined as of the date of discovery. For mobilehomes whose license fee is 120 days or more delinquent, the base year value is determined as of the next subsequent lien date. Is there a problem keeping these various dates straight?

_____ NO
_____ YES

What solutions have you found? _____

25. Are appraisals of mobilehomes made immediately after receiving a notification of delinquency from HCD, or are they made after the expiration of the current 210-day reinstatement period?

_____ UPON DELINQUENCY NOTIFICATION FROM HCD
_____ UPON EXPIRATION OF THE 210-DAY REINSTATEMENT PERIOD
_____ OTHER

Comments: _____

26. Have you found that mobilehomes that are set up in a park sell for more than a comparable unit from a dealer even when delivery and set up charges are included in the purchase price?

_____ NO
_____ YES

27. Are there any mobilehome planned unit developments (PUD's) located in your county?

_____ NO
_____ YES. HOW MANY? _____

28. Do you have in your county any mobilehomes that are not subject to either tax because:

	<u>NO</u>	<u>YES</u>	<u>IF YES, HOW MANY?</u>
a. They are owned by military personnel claiming out-of-state residency	_____	_____	_____
b. They are located on a federal enclave	_____	_____	_____
c. They are located on Indian land	_____	_____	_____

29. If you have had problems with mobilehomes situated as described in question 28, please describe the problems, and solutions you have devised.

30. If a dealer has installed a mobilehome in a park and on the lien date still holds title:

- a. Do you automatically classify the mobilehome as an improvement and assess, or do you assess as personalty and wait until the certificate of occupancy has been issued before assessing as an improvement?

(EXPLAIN) _____

- b. Assuming that you have classified it as an improvement, have you had any difficulty convincing the dealer it cannot be exempt as business inventory?

_____ NO
_____ YES

31. What method or system do you use to find delinquent mobilehomes that aren't on the HCD list of delinquencies?

32. Senate Bill 1422 amended Vehicle Code Section 5901 by requiring a dealer selling a new or used mobilehome to provide the assessor with a written notice of the sale.

- a. Do you receive the dealers' reports of sale?

_____ NO
_____ YES

- b. Regularly?

_____ NO
_____ YES

- c. Are there any problems with these dealer reports?

33. a. Do problems arise because licensing dates do not coincide with property tax dates?

_____ NO
_____ YES

b. If there are problems, please describe them and the solutions you have devised.

34. Do the dealers' reports of sale match up with HCD's list of transfers and new registrations?

_____ NO
_____ YES

35. Are the selling prices listed on the invoices of the sales reports provided by the dealers, in agreement with the cost manual(s) currently in use? (Assuming location and set-up charges are equal)

a. _____ AGREE
_____ WITHIN A REASONABLE TOLERANCE
_____ DISAGREE

b. If they disagree, are the selling prices usually higher or lower than cost manuals?

_____ HIGHER
_____ LOWER
_____ MIXED

36. Are the sales of mobilehomes located in parks in agreement with the cost manual(s) currently in use? (Assuming location and set-up charges are equal)

a. _____ AGREE
_____ WITHIN A REASONABLE TOLERANCE
_____ DISAGREE

b. If they disagree, are the selling prices usually higher or lower than cost manuals?

_____ HIGHER
_____ LOWER
_____ MIXED

37. To what factor(s) do you attribute the differences in the prices vs. cost manuals asked in the previous two questions?

38. Based on your experiences since 1980, what changes would you recommend be made to the current mobilehome/manufactured housing property tax statutes?_____

39. Have you had any specific problems dealing with your County Tax Collector's Office pertaining to mobilehome assessments? If so, any suggestions for improvement?_____

40. Is there any other County or State office with which you have had specific problems pertaining to mobilehome assessments? If so, any suggestions for improvement?_____

41. Would you be in favor of adopting one valuation guide, such as the Kelley Blue Book, to be used as a standard-uniform guide for appraising mobilehomes by all counties throughout the State?

_____ NO
_____ YES

Comments: _____

42. Estimate by separate values, the total assessed values of the accessories, and the total assessed value of the mobilehome units, on last year's roll? (1982-83)

Accessories \$ _____
Mobilehomes \$ _____

MOBILEHOME STATISTICS

A. (Questions 1 and 2)

Number of taxable mobilehomes assessed locally on 1983-84 county tax rolls:

(1) Number of mobilehomes on rolls due to delinquency of vehicles license fee:

Approximately 25,000 – 34,000

HCD reports that as of July 1, 1984 there were nearly 92,000 records of delinquent mobilehomes. However, this figure represents the total number of separately licensed sections, not the total mobilehome unit count. This partially explains the great disparity between county figures and HCD figures. Two other elements are also involved. The first is that the county figures are only estimates, and eight of the 57 responding counties could not even supply an estimated number. The second explanatory element is that many delinquent mobilehomes have not been assessed by the counties, either because the delinquency has not yet continued beyond 119 days or because the county has made no effort to enroll these delinquent mobilehomes. Possible reasons for this failure to enroll are discussed in Chapter II, Section H.

(2) Number of mobilehomes on tax rolls due to sale as new mobilehomes on or after July 1, 1980:

Approximately 32,000 – 41,000

HCD reports that as of July 1, 1984, there were 32,774 units subject to local property taxation under this category. Since the HCD count is based on the new method of assigning a single number to all sections of a multiwide mobilehome that form a single living unit, the HCD figure is very close to county estimates, which have always been based on the premise that the various transportable sections of a multiwide mobilehome constitute a single appraisal unit for assessment purposes.

B. (Question 1)

Number of mobilehomes in California not subject to local property taxation on 1983-84 assessment rolls:

Approximately 376,000

HCD records indicate that, as of July 1, 1984, there were 403,906 separate records of mobilehomes subject to the in-lieu tax (vehicle license fee). However, because of the now discontinued practice of assigning individual license numbers to each section of a

multiwide mobilehome, this figure is inaccurate. Beginning in 1978, the Department of Motor Vehicles began assigning a single license number to multiwide mobilehomes. This revised practice has been continued by HCD, yet there remain many coaches subject to the in-lieu tax to which license numbers were assigned on the old per section method.

Assuming that the figures reported by the counties represent highly conservative estimates, the percentage of mobilehomes in California subject to local property taxation (excluding mobilehomes voluntarily transferred from VLF (vehicle license fee) to LPT (local property taxation) status is somewhere between 13 and 17 percent. This surprisingly small figure will be influenced in the future by two opposing forces. The first is that all new mobilehomes will be subject to local property taxation, as will all licensed mobilehomes the owners of which ask for an irrevocable transfer to local taxation. This will increase the percentage. The second force is the ongoing reinstatement program created by Assembly Bill 1400 (Chapter 40, Statutes of 1982) and the new amnesty program established by Senate Bill 1841 (Chapter 1760, Statutes of 1984) will reduce the number of mobilehomes that have become taxable by virtue of VLF delinquency and will prevent any further enrollments due to VLF delinquency. In the long run, the volume of new mobilehomes sold will probably exceed the number of reinstatements to VLF. As of September 1, 1984 less than 2 percent of Assembly Bill 1400 applicants have been granted reinstatement by HCD while less than 18 percent of those mobilehome owners eligible to request a waiver of VLF delinquency under Senate Bill 1343 (Chapter 1395, Statutes of 1982) have applied for and received a waiver of their VLF delinquency. As of April 1, 1985, less than 10 percent of eligible mobilehome owners have filed applications for waiver of delinquency under Senate Bill 1841 (Chapter 1760, Statutes of 1984). It is anticipated that mobilehome owners' response to this program will remain mild throughout its filing period, which expires December 31, 1986. If these projections prove correct, the conclusion is that the volume of taxable mobilehomes in California will increase, albeit at a rate that will vary with the ups and downs of the housing market. Assuming that new mobilehomes remain taxable, this increase in numbers means more work for county assessors. It also dictates that more efficient methods be devised for assessing mobilehomes, since they are not a problem that will "just go away."

C. (Question 3)

Number of mobilehomes in reinstatement status per Assembly Bill 1400 (Chapter 40, Statutes of 1982) as of September 1, 1984:

<u>Fiscal Year</u>	<u>Eligible</u>	<u>Applied</u>	<u>Reinstatement Completed</u>
1981-82 1982-83	74,629*	6,829*	770*
1983-84	8,804	480	147
1984-85	1,124	57	16

*Combined total for 1981-82 and 1982-83.

These figures were obtained from HCD's records. County responses to Question 3 were mostly, "Don't know." It is apparent that the percentage of applicants who are granted reinstatement is quite low. Since the enactment of Senate Bill 1841 (Chapter 1760, Statutes of 1984) has ended the automatic transfer to local property taxation that was previously accorded to delinquent mobilehomes, the Assembly Bill 1400 reinstatement program has terminated. Because mobilehome owners are allowed 210 days from the date of VLF delinquency to file a petition for reinstatement with HCD, and since the last VLF expiration date that could result in delinquency leading to local taxability was May 31, 1984, it follows that the last date to file petitions for reinstatement under Assembly Bill 1400 would have been December 31, 1984. However, HCD discontinued the processing of requests for reinstatement as of September 1, 1984. All applications for reinstatement received on or after that date were returned to the mobilehome owners with instructions to file for general amnesty under Senate Bill 1841 (successor to Assembly Bill 1400).

- D. Number of mobilehomes in delinquency waiver status per Senate Bill 1343 (Chapter 1395, Statutes of 1982) as of September 1, 1984:

<u>Fiscal Year</u>	<u>Eligible</u>	<u>Applied</u>	<u>Approved</u>	<u>Reinstatement Completed</u>
1982-83	30,000	5,187	3,491	2,958
1983-84	**	1,872	1,762	1,667
1984-85	**			

** Requests for waiver of delinquency were limited to those mobilehomes on which registration and license fees became delinquent during the period July 1, 1980 – March 1, 1982. The filing period for the total volume of eligibles shown in fiscal year 1982-83 was from September 24, 1982 through June 30, 1983, and from September 30, 1983 through December 31, 1983. The above figures were supplied by HCD.

- E. Number of mobilehomes in reinstatement status per Senate Bill 1841 (Chapter 1760, Statutes of 1984) as of April 1, 1985:

Two thousand and seventy-two applications have been filed with HCD. This amnesty has only been available since October 1, 1984, (the effective date of this urgency legislation), and many more applications are expected to be received by the final filing date of December 31, 1986. As in the Senate Bill 1343 program, mobilehome owners who wish to return to vehicle license fee status must prove that the property taxes on their mobilehomes are paid current before their applications will be accepted.

- F. Number of mobilehomes voluntarily transferred to local property taxation per Assembly Bill 3382 (Chapter 1465, Statutes of 1982):

<u>Period</u>	<u>Amount</u>	<u>Rate Per Month</u>
January – June 1983	358	60
July – December 1983	748	125
January – June 1984	1,318	220
July – September 1984	917	306
October – December 1984	840	280
January – March 1985	<u>861</u>	267

Total to Date: 4,181

Average Monthly Rate:

January 1983 – March 1985: 155

Although voluntary transfer was available as early as January 1, 1983, we did not include any questions relating to this program in our questionnaire. We have therefore obtained the above figures from HCD records. Virtually all transfers to local property taxation have occurred in conjunction with pending private party sales of currently licensed mobilehomes. Voluntary transfers are being sought by the sellers of these mobilehomes, usually only one day before the registration is signed over to the new owner. The apparent reason is to avoid the 6 to 7 percent use tax that would otherwise be levied against the purchaser of the mobilehome. Avoiding the use tax lowers the cost of the mobilehome to the purchaser, who may thereby more easily qualify for an institutional loan to buy the mobilehome. However, the long-term cost of transferring the mobilehome to local property taxation may well exceed the short-term savings.

STATUTORY EXCERPTS

A. HEALTH AND SAFETY CODE SECTIONS

18001.8. Commercial Coach. "Commercial coach" means a structure transportable in one or more sections, designed and equipped for human occupancy for industrial, professional, or commercial purposes, which is required to be moved under permit, and shall include a trailer coach as defined in Section 635 of the Vehicle Code.

18003.3. Dwelling Unit. "Dwelling unit" means one or more habitable rooms which are designed to be occupied by one family with facilities for living, sleeping, cooking, eating, and sanitation.

18005.8. Legal owner. "Legal owner" means a person holding a security interest in a manufactured home, mobilehome, commercial coach, or truck camper perfected by filing the appropriate documents with the department pursuant to Section 18080.7 if the person is entitled to the designation, as provided in Article 3 (commencing with Section 18085) or 4 (commencing with Section 18098) of Chapter 8.

18007. Manufactured home. "Manufactured home," for the purposes of this part, means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width, or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein; except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification and complies with the standards established under this part. "Manufactured home" includes a mobilehome subject to the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.).

18008. Mobilehome. "Mobilehome," for the purposes of this part, means a structure transportable in one or more sections, designed and equipped to contain not more than two dwelling units to be used with or without a foundation system. Mobilehome does not include a recreational vehicle, commercial coach, or factory-built housing, as defined in Section 19971.

18008.5 Mobilehome accessory. "Manufactured home or mobilehome accessory building or structure" or "manufactured home or mobilehome accessory" includes, but is not limited to, any awning, portable, demountable, or permanent cabana, ramada, storage cabinet, carport, skirting, heater, cooler, fence, windbreak, or porch established for the use of the occupant of the manufactured home or mobilehome or other equipment as defined by Section 1797.3 of the Civil Code.

18080.5 (Operative July 1, 1984) Report-of-sale forms: Notice of transfers.

(a) When selling a manufactured home, mobilehome, or commercial coach, dealers shall use numbered report-of-sale forms issued by the department. The forms shall be used in accordance with the following terms and conditions:

(1) A copy of the report of sale shall be delivered to the purchaser.

(2) All fees and penalties due for registration or transfer of registration of the manufactured home, mobilehome, or commercial coach shall be paid to the department within 10 calendar days from the date of sale. Penalties due for noncompliance with this paragraph shall be paid by the dealer. The dealer shall not charge the purchaser for those penalties.

(3) Notice of the sale of a manufactured home, mobilehome, or commercial coach shall be reported pursuant to subdivision (c).

(4) The original report-of-sale form together with all required documents to either report the sale or make application to register or transfer a manufactured home, mobilehome, or commercial coach shall be forwarded to the department. Any application shall be submitted within 10 calendar days from the date of sale.

(b) A manufactured home, mobilehome, or commercial coach displaying a copy of the report of sale may be occupied without registration decals or registration card until the registration decals and registration card are received by the purchaser.

(c) In addition to the other requirements of this section, every dealer upon transferring by sale, lease, or otherwise any manufactured home, mobilehome, or commercial coach shall, not later than the 10th calendar day thereafter, not counting the date of sale, give written notice of the transfer to the assessor of the county where the manufactured home, mobilehome, or commercial coach is to be installed. The written notice shall be upon forms provided by the department containing any information that the department may require, after consultation with the assessors. Filing of a copy of the notice with the assessor in accordance with this section shall be in-lieu of filing a change of ownership statement pursuant to Sections 480 and 482 of the Revenue and Taxation Code.

(d) For purposes of this section, a "sale" shall be deemed completed and consummated when any of the following occurs:

(1) The purchaser of a commercial coach has signed a purchase contract or security agreement, or the lessee of a new commercial coach has signed a lease agreement, has paid any purchase price, and has taken physical possession or delivery of the commercial coach.

(2) For the sales subject to Section 18035 or 18035.2, when all the amounts other than escrow fees and amounts for uninstalled or undelivered accessories are disbursed from the escrow account.

18084.7 (Operative July 1, 1984) Applicability of vehicle license fees and taxes. Manufactured homes, mobilehomes, and commercial coaches shall not be subject to the provisions of Section 18115, 18115.5 or 18116 or to the provisions of Part 13 (commencing with Section 5800) of Division 1 of the Revenue and Taxation Code prior to the original registration of the manufactured home, mobilehome, or commercial coach in the name of a consumer.

18116. Payment of license fees; Late fees. (a) The license fee is due and payable to the department each year on or before the expiration date assigned by the department and noted on the registration card. The fee shall be paid to the department at the time of renewal of registration.

(b) An amount of 20 percent of the license fee shall be added on any application for renewal of registration made later than midnight of the date of expiration. The additional amount shall not be imposed on any application or fee payment received by mail after the date of expiration if the application or payment was, by evidence of postmark, placed in the mail before midnight on the date of expiration. Any manufactured home or mobilehome subject to this article for which registration has been allowed to lapse for 120 days or more shall be subject to local property taxation pursuant to Section 10759.5 of the Revenue and Taxation Code.

(c) Any commercial coach subject to this article for which registration has been allowed to lapse for 120 days or more shall be subject to a penalty of two hundred dollars (\$200) to be paid to the department along with all delinquent fees due at the time of the renewal of registration.

(d) It is the intent of the Legislature that license fees levied on manufactured homes, mobilehomes, or commercial coaches subject to this part shall not be altered or increased from the rates and levels of license fees established prior to January 1, 1981.

Note: The above is the prior version of this section which prevailed until October 1, 1984, the effective date of Senate Bill 1841 (Chapter 1760), which amended this section to read as follows:

18116. (a) The license fee is due and payable to the department each year on or before the expiration date assigned by the department and noted on the registration card. The fee shall be paid to the department at the time of renewal of registration.

(b) An amount of 20 percent of the license fee shall be added on any application for renewal of registration made later than midnight of the date of expiration. The additional amount shall not be imposed on any application or fee payment received by mail after the date of expiration if the application or payment was, by evidence of postmark, placed in the mail before midnight on the date of expiration. Any manufactured home or mobilehome subject to this article for which registration has been allowed to lapse for 120 days or more shall be subject to a penalty of fifty dollars (\$50) for each transportable unit to be paid to the department with all delinquent fees due at the time of the renewal of the registration.

(c) Any commercial coach subject to this article for which registration has been allowed to lapse for 120 days or more shall be subject to a penalty of two hundred dollars (\$200) to be paid to the department along with all delinquent fees due at the time of the renewal of registration.

(d) It is the intent of the Legislature that license fees levied on manufactured homes, mobilehomes, or commercial coaches subject to this part shall not be altered or increased from the rates and levels of license fees established prior to January 1, 1981.

18116.5 Exemption of used mobilehomes from use tax. Used manufactured homes and used mobilehomes subject to local property taxation are exempt from the payment of use tax upon resale or transfer as provided in Section 6379 of the Revenue and Taxation Code.

18119. (Operative July 1, 1984) Delinquent license fee; Notice; Listing; Transfer. (a) If the license fee has not been paid on or before the 60th day following the date on which the fee became delinquent, the department shall mail a notice to the registered owner, legal owner and each junior lienholder shown on the permanent title record as of that date, containing the following information:

(1) That the license fee is delinquent.

(2) That the manufactured home or mobilehome will become subject to local property tax if the fees and penalties are not paid on or before the 120th day after the date of delinquency.

(3) That if the manufactured home or mobilehome becomes subject to local property tax, the owner, legal owner or any junior lienholder may file a petition for reinstatement to the vehicle license fee in accordance with Article 4 (commencing with

Section 10910) of Chapter 3 of Part 5 of Division 2 of the Revenue and Taxation Code, within 210 days of the date of delinquency.

(4) That on or after the 120th day following the date of delinquency, the department will notify the county assessor of the county in which the manufactured home or mobilehome is sited that the manufactured home or mobilehome is subject to local property taxation.

(b) On or before the last day of each calendar month, the department shall furnish a listing of all manufactured homes and mobilehomes for which the license fee has become delinquent for a period of 120 days or more, as provided for in Section 10759.5 of the Revenue and Taxation Code, since the last listing was furnished, and a listing of all voluntary transfers to local property taxation as provided for in subdivision (c), new registrations, and transfers of title to manufactured homes and mobilehomes since the last listing, to the county assessor of the county in which the manufactured home or mobilehome is sited.

(c) The department shall transfer a manufactured home or mobilehome which is subject to vehicle license fee to local property taxation upon a request for the transfer, as prescribed by the department, executed by the registered owner, legal owner, and each junior lienholder. Transfer pursuant to this subdivision shall be final. Persons obtaining such a transfer thereby waive all entitlement to petition for reinstatement to the vehicle license fee, and are not entitled to the refund of any vehicle registration fees or vehicle license fees paid which apply to the period between the date of voluntary transfer and the expiration of the registration period for which the fees were paid.

Note: The above version was amended October 1, 1984, by Senate Bill 1841 (Chapter 1760) and now reads as follows:

18119. (a) If the license fee has not been paid on or before the 60th day following the date on which the fee became delinquent, the department shall mail a notice to the registered owner, legal owner and each junior lienholder shown on the permanent title record as of that date, containing the following information:

(1) That the license fee is delinquent.

(2) That the manufactured home or mobilehome will become subject to a penalty of fifty dollars (\$50) per transportable unit pursuant to subdivision (b) of Section 18116, if the fees and penalties are not paid on or before the 120th day after the date of delinquency.

(b) On or before the last day of each calendar month, the department shall furnish a listing of new registrations and transfers of title to manufactured homes and mobilehomes subject to local property taxation under Section 5801 of the Revenue and Taxation Code, and of all voluntary transfers to local property taxation, as provided in subdivision (c), to the county assessor of the county in which the manufactured home or mobilehome is sited.

(c) The department shall transfer a manufactured home or mobilehome which is subject to vehicle license fee to local property taxation upon a request for the transfer, as prescribed by the department, executed by the registered owner, legal owner, and each junior lienholder. Transfer pursuant to this subdivision shall be final. Persons obtaining such a transfer thereby waive all entitlement to petition for reinstatement to the vehicle license fee, and are not entitled to the refund of any vehicle registration fees or vehicle license fees paid which apply to the period between the date of voluntary transfer and the expiration of the registration period for which the fees were paid.

18210.5. "Manufactured home." "Manufactured home" means a structure, transportable in one or more sections, which, in the traveling mode, is eight body feet or more in width, or 40 body feet or more in length, or, when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein; except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements and with respect to which the manufacturer voluntarily files a certification and complies with the standards established under this part. "Manufactured home" includes a mobilehome subject to the National Manufactured Housing Construction and Safety Act of 1974 (42 U.S.C., Sec. 5401, et seq.)

18211. Mobilehome. "Mobilehome", for the purposes of this part, is a structure transportable in one or more sections, designed and equipped to contain not more than two dwelling units, as defined in Section 18003.3, to be used with or without a foundation system. Mobilehome does not include a recreational vehicle, commercial coach, or factory-built housing, as defined in Section 19971.

18300. (Effective until January 1, 1988) Statewide application of regulations; Enforcement. (a) The provisions of this part apply to all parts of the state and supersede any ordinance enacted by any city, county, or city and county, whether general law or chartered, applicable to the provisions of this part. Except as provided in Section 18930, the department may adopt regulations to interpret and make specific the provisions of this part and when adopted such regulations shall apply to all parts of the state.

(b) Upon 30 days' written notice from the governing body to the department, any city, county, or city and county may assume the responsibility for the enforcement of this part, the building standards published in the State Building Standards Code relating to mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, incidental camping areas, and tent camps, and the regulations adopted pursuant to the provisions of this part following approval by the department for such assumption.

(c) The department shall adopt regulations which set forth the conditions for assumption and may include required qualifications of local enforcement agencies. The conditions set forth and the qualifications required in the regulations which set forth the conditions for assumption shall relate solely to the ability of local agencies to enforce properly the building standards published in the State Building Standards Code relating to mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, incidental camping areas, and tent camps, and the other regulations relating to mobilehome parks promulgated pursuant to this part. The regulations which set forth the conditions for assumption shall not set requirements for local agencies different than those which the state maintains for its own enforcement program. When assumption is approved, the department shall transfer the responsibility for enforcement to the city, county, or city and county, together with all records of mobilehome parks within the jurisdiction of the city, county, or city and county.

(d)(1) In the event of nonenforcement of the provisions of this part, the building standards published in the State Building Standards Code relating to mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, incidental camping areas, and tent camps, or the other regulations adopted pursuant to the provisions of this part by a city, county, or city and county, the department shall enforce the provisions of this part, the building standards published in the State Building Standards Code relating to mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, incidental camping areas, and tent camps, and the other regulations adopted pursuant to the provisions of this part in any such city, county, or city and county after the department has given written notice to the governing body of such city, county, or city and county setting forth in what respects the city, county, or city and county has failed to discharge its responsibility, and the city, county, or city and county has failed to initiate corrective measures to carry out its responsibility within 30 days of such notice.

(2) Where the department determines that the local enforcement agency is not properly enforcing this part, the local enforcement agency shall have the right to appeal such a decision to the director of the department.

(e) Any city, city and county, or county, upon written notice from the governing body to the department, may cancel its assumption of responsibility for the enforcement of this part. The department, upon receipt of such notice, shall assume such responsibility within 30 days.

(f) Every city, county, or city and county, within its jurisdiction, shall enforce all of the provisions of this part, the building standards published in the State Building Standards Code relating to mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, incidental camping areas, and tent camps, and the other regulations adopted pursuant to the provisions of this part, as they relate to manufactured homes or mobilehomes and to mobilehome accessory buildings or structures located outside of mobilehome parks.

(g) The provisions of this part shall not prevent local authorities of any city, county, or city and county, within the reasonable exercise of their police powers:

(1) From establishing, subject to the requirements of Sections 65852.3 and 65852.7 of the Government Code, certain zones for manufactured homes, mobilehomes, or mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, or tent camps within such city, county, or city and county, or establishing types of uses and locations, including family mobilehome parks, adult mobilehome parks, mobilehome condominiums, mobilehome subdivisions, or mobilehome planned unit developments within such city, county, or city and county, as defined in the zoning ordinance, or from adopting rules and regulations by ordinance or resolution prescribing park perimeter walls or enclosures on public street frontage, signs, access, and vehicle parking or from prescribing the prohibition of certain uses for mobilehome parks, recreational vehicle parks, temporary recreational vehicle parks, or tent camps.

(2) From regulating the construction and use of equipment and facilities located outside of a manufactured home, mobilehome, or recreational vehicle used to supply gas, water, or electricity thereto, except facilities owned, operated, and maintained by a public utility, or to dispose of sewage or other waste therefrom when such facilities are located outside a mobilehome park, recreational vehicle park, or temporary recreational vehicle park for which a permit is required by this part, or the regulations adopted pursuant thereto.

(3) From requiring a permit to use a manufactured home, mobilehome, or recreational vehicle outside a mobilehome park, recreational vehicle park, or temporary recreational vehicle park for which a permit is required by this part or by regulations adopted pursuant thereto, and require a fee therefor by local ordinance commensurate with the cost of enforcing this part and local ordinance with reference to the use of manufactured homes, mobilehomes, and recreational vehicles, which permit may be refused or revoked if such use violate any provisions of this part or Part 2 (commencing with Section 18000) of this division, any regulations adopted pursuant thereto, or any local ordinance applicable to such use.

(4) From requiring a local building permit to construct an accessory structure for a manufactured home or mobilehome when such manufactured home or mobilehome is located outside a mobilehome park, recreational vehicle park or temporary recreational vehicle park, under circumstances which the provisions of this part or Part 2 (commencing with Section 18000) of this division and the regulations adopted pursuant thereto do not require the issuance of a permit therefor by the department.

(h) (1) A city, including a charter city, county, or city and county, shall not require the average density in a new mobilehome park to be less than that permitted by the applicable zoning ordinance, plus any density bonus, as defined in Section 65915 of the Government Code, for other affordable housing forms.

(2) A city, including a charter city, county, or city and county, shall not require a new mobilehome park to include a clubhouse. Recreational facilities, recreational areas, accessory structures, or improvements may be required only to the extent that such facilities or improvements are required in other types of residential developments containing a like number of residential dwelling units.

(i) This section shall remain in effect only until January 1, 1988, and as of such date is repealed, unless a later enacted statute, which is chaptered before January 1, 1988, deletes or extends such date.

18551. Regulations for foundation systems. The department shall establish regulations for manufactured home, mobilehome, and commercial coach foundation systems which shall be applicable throughout the state. When established, these regulations supersede any ordinance enacted by any city, county, or city and county applicable to manufactured home, mobilehome, and commercial coach foundation systems. The department may approve alternate foundations systems to those provided by regulation where the department is satisfied of equivalent performance. The department shall document approval of alternate systems by its stamp of approval on the plans and specifications for the alternate foundation system.

(a) Prior to installation of a manufactured home, mobilehome, or commercial coach on a foundation system, the manufactured home, mobilehome, or commercial coach owner or a licensed contractor shall obtain a building permit from the appropriate local agency. To obtain a permit, the owner or contractor shall provide the following:

(1) Written evidence acceptable to the local agency that the manufactured home, mobilehome, or commercial coach owner owns, holds title to, or is purchasing the real property where the mobilehome is to be installed on a foundation system. A lease held by the manufactured home, mobilehome, or commercial coach owners, which is transferable, for the exclusive use of real property where the manufactured home,

mobilehome, or commercial coach is to be installed, shall be deemed to comply with this paragraph if the lease is for a term of 35 years or more, or if less than 35 years, for a term mutually agreed upon by the lessor and lessee, and the term of the lease is not revocable at the discretion of the lessor except for cause, as described in subdivisions 2 to 5, inclusive, of Section 1161 of the Code of Civil Procedure.

(2) Written evidence acceptable to the local agency that the registered owner owns the manufactured home, mobilehome, or commercial coach free of any liens or encumbrances or, in the event that the legal owner is not the registered owner, or liens and encumbrances exist on the manufactured home, mobilehome, or commercial coach, written evidence provided by the legal owner and any lienors or encumbrancers that the legal owner, lienor, or encumbrancer consents to the attachment of the manufactured home, mobilehome, or commercial coach upon the discharge of any personal lien, which may be conditioned upon the satisfaction by the registered owner of the obligation secured by the lien.

(3) Plans and specifications required by department regulations or a department-approved alternate for the manufactured home, mobilehome, or commercial coach foundation system.

(4) The manufactured home, mobilehome, or commercial coach manufacturer's installation instructions, or plans and specifications signed by a California licensed architect or engineer covering the installation of an individual manufactured home, mobilehome, or commercial coach in the absence of the manufactured home, mobilehome, or commercial coach manufacturer's instructions.

(5) Building permit fees established by ordinance of the city, county, or city and county of the appropriate local agency.

(6) A fee payable to the department in the amount of eleven dollars (\$11) for each transportable section of the manufactured home, mobilehome, or commercial coach, which shall be immediately transmitted to the department with a copy, of the building permit and any other information concerning the manufactured home, mobilehome, or commercial coach which the department may prescribe on forms provided by the department.

On the same day that the certificate of occupancy for the manufactured home, mobilehome, or commercial coach is issued by the appropriate local agency, the local agency shall record with the county recorder of the county in which the real property is situated, on which the manufactured home, mobilehome, or commercial coach has been installed, a document naming the owner of the real property, describing the real property with certainty, and stating that a manufactured home, mobilehome, or commercial coach has been affixed to such real property by installation on a foundation system pursuant to this section.

When recorded, the document referred to above shall be indexed by the county recorder to the named owner and shall be deemed to give constructive notice as to its contents to all persons thereafter dealing with the real property.

If the manufactured home, mobilehome, or commercial coach is registered with the department, such local agency shall notify the department that the manufactured home, mobilehome, or commercial coach has been installed on a foundation system.

Fees received by the department pursuant to this subdivision shall be deposited in the Mobilehome-Manufactured Home Revolving Fund established under subdivision (a) of Section 18016. To the extent these fees are utilized for enforcement of consumer protections, the provisions of subdivision (b) of Section 18016.5 shall not apply.

(b) The department shall adopt regulations providing for the cancellation of registration of a manufactured home, mobilehome, or commercial coach which is permanently attached to the ground on a foundation system pursuant to this section. The regulations shall provide for the surrender to the department of the certificate of title and other indicia of registration. For the purposes of this subdivision, permanent affixation to a foundation system shall be deemed to have occurred on the day a certificate of occupancy is issued to the manufactured home, mobilehome, or commercial coach owner and the document referred to in paragraph (6) of subdivision (a) is recorded. Cancellation shall be effective as of that date and the department shall enter such cancellation on its records upon receipt of a copy of the certificate of occupancy. This subdivision shall not be construed to affect the application of existing laws, or the department's regulations or procedures with regard to the cancellation of registration, except as to the requirement therefor and the effective date thereof.

(c) Once installed on a foundation system in compliance with the provisions of subdivisions (a) and (b), a manufactured home, mobilehome, or commercial coach shall be deemed a fixture and a real property improvement to the real property to which it is affixed. Physical removal of the manufactured home, mobilehome, or commercial coach shall thereafter be prohibited without the consent of all persons or entities who, at the time of removal, have title to any estate or interest in the real property to which the manufactured home, mobilehome, or commercial coach is affixed.

For the purposes of this part:

(1) "Physical removal" shall include, without limitation, the unattaching of the manufactured home, mobilehome, or commercial coach from the foundation system, except for temporary purposes of repair or improvement thereto.

(2) Consent to removal shall not be required from the owners of rights-of-way or easements or the owners of subsurface rights or interests in or to minerals, including, but not limited to, oil, gas, or other hydrocarbon substances.

(d) At least 30 days prior to a legal removal of the manufactured home, mobilehome, or commercial coach from the foundation system and transportation away from the real property to which it was formerly affixed, the manufactured home, mobilehome, or commercial coach owner shall notify the department and the county assessor of the intended removal of the manufactured home, mobilehome, or commercial coach. The department shall require written evidence that the necessary consents have been obtained pursuant to this section and shall require application for either a transportation permit or manufactured home, mobilehome, or commercial coach registration as the department may decide is appropriate to the circumstances. Immediately upon removal, as defined in this section, the manufactured home, mobilehome, or commercial coach shall be deemed to have become personal property and subject to all laws governing the same as applicable to a manufactured home, mobilehome, or commercial coach.

(e) Notwithstanding any other provision of law, any manufactured home, mobilehome, or commercial coach installed on a foundation system, attached, or otherwise permanently affixed to real property without compliance with the provisions of subdivisions (a) and (b), shall not be deemed a fixture or improvement to the real property. This subdivision shall not be construed to affect the application of sales and use or property taxes.

(f) Once installed on a foundation system, a manufactured home, mobilehome, or commercial coach shall be subject to state enforced health and safety standards for manufactured homes, mobilehomes, or commercial coaches enforced pursuant to Section 18020.

(g) No local agency shall require that any manufactured home, mobilehome, or commercial coach currently on private property be placed on a foundation system.

18551.1 Foundation systems; mobilehome parks. (a) Any mobilehome park, the construction of which is completed on or after January 1, 1982, may, subject to Section 18551, be constructed in a manner which will enable manufactured homes and mobilehomes sited in the park to be placed upon a foundation system, and manufactured homes and mobilehomes sited in the park may be placed upon foundation systems.

(b) Notwithstanding subdivision (a), any manufactured home or mobilehome originally sited on or after January 1, 1985, in a mobilehome park constructed prior to January 1, 1982, may be placed upon a foundation system, subject to the requirements of Section 18551.

18607. Report to assessor; mobilehome park. Every person owning or operating a mobilehome park shall keep such records as are necessary to report to the county assessor those manufactured homes or mobilehomes which are in the park on March 1 of the current year but were not in the park on March 1 of the preceding year as required by Section 5841 of the Revenue and Taxation Code, and commencing January 1, 1982, shall maintain the duplicate registration cards required by Section 18084 and make them available to the county assessor upon request.

18613.2. Notification of assessor. When the enforcement agency issues an installation permit for a new manufactured home or mobilehome, beginning on July 1, 1980, a copy of such permit shall be delivered to the county or city assessor having jurisdiction where the manufactured home or mobilehome is to be sited.

B. REVENUE AND TAXATION CODE SECTIONS

155.20. Exemption of property having low value. A county board of supervisors may exempt from property tax all real property with a base year value (as determined pursuant to Chapter 1 (commencing with Section 50) of Part 0.5, and personal property with a full value so low that, if not exempt, the total taxes, special assessments and applicable subventions on the property would amount to less than the cost of assessing and collecting them.

The board shall have no authority to exempt property with a base year value or full value of more than two thousand dollars (\$2,000).

In determining the level of the exemption, the board of supervisors shall determine at what level of exemption the costs of assessing the property and collecting taxes, assessments and subventions on such property exceeds the proceeds to be collected. The board shall establish the exemption level uniformly for classes of property. In making this determination, the board may consider the total taxes, special assessments and applicable subventions for the year of assessment only or for the year of assessment and succeeding years where cumulative revenues will not exceed the cost of assessments and collections.

This section does not apply to those real or personal properties enumerated in Section 52.

The exemption authorized by this section shall be adopted by the board on or before the lien date for the fiscal year to which the exemption is to apply and may, at the option of the board, continue in effect for succeeding fiscal years. Any revision or rescission of the exemption shall be adopted by the board on or before the lien date for the fiscal year to which that revision or rescission is to apply.

Nothing in this section shall authorize a county board of supervisors to exempt new construction of two thousand dollars (\$2,000) or less, unless the new base year value of the property, including this new construction, is two thousand dollars (\$2,000) or less.

Nothing in this section shall authorize an assessor to exempt or not to enroll any property of any value, unless specifically authorized by a county board of supervisors, pursuant to this section.

172. Relief from local property taxation or vehicle license fees. Whenever a mobilehome is destroyed on or after January 1, 1982, as the result of a disaster declared by the Governor, the owner shall be entitled to relief from local property taxation or vehicle license fees in accordance with the provisions of this chapter.

172.1 Claim; eligibility for relief; requirements. (a) To claim tax relief in accordance with the provisions of this chapter, the owner shall execute a declaration under penalty of perjury that the replaced mobilehome was destroyed by a disaster declared by the Governor and shall furnish with that declaration any other information, prescribed by the Department of Housing and Community Development after consultation with the California Assessors' Association, as is necessary to establish eligibility for relief under this chapter.

To be eligible for relief under this chapter, the replacement mobilehome must be comparable in size, utility, and location, as determined by the county assessor, with the destroyed mobilehome.

For purpose of this section, "destroyed" means damaged to such an extent that the cost of repair to the mobilehome would exceed its value at that time immediately preceding its destruction, or the mobilehome is declared a total loss for insurance purposes.

(b) If the replacement mobilehome is subject to local property taxation, the affidavit and documentation required by subdivision (a) shall be forwarded to the assessor of the county of situs. If the assessor determines that the owner of the replacement mobilehome is eligible for tax relief in accordance with the provisions of this chapter, the assessor shall, notwithstanding any other provision of law, do either of the following:

(1) If the destroyed mobilehome was subject to the vehicle license fee, enroll the replacement mobilehome with an assessed valuation so that the local property taxes paid shall be the same amount as the vehicle license fee and registration fee due on the destroyed mobilehome for the year prior to its destruction.

(2) If the destroyed mobilehome was subject to local property taxation, enroll the replacement mobilehome at a taxable value equal to the taxable value of the destroyed mobilehome at the time of its destruction.

(c) If the assessor determines that the owner of the replacement mobilehome is not eligible for tax relief in accordance with the provisions of this chapter, the replacement mobilehome shall be assessed in accordance with Part 13 (commencing with Section 5800).

(d) If the replacement mobilehome is subject to vehicle license fee, the affidavit and documentation required by subdivision (a) shall be forwarded to the Department of Housing and Community Development. If the department determines that the owner is eligible for tax relief in accordance with the provisions of this chapter, the department shall do either of the following:

(1) If the destroyed mobilehome was subject to the vehicle license fee, assign an in-lieu taxation classification and rating year for determination of depreciation such that the owner of the replacement mobilehome will be charged registration and license fees no greater than those he or she would have been charged for the destroyed mobilehome.

(2) If the destroyed mobilehome was subject to local property taxation, assign an in-lieu taxation classification and rating year for determination of depreciation such that the owner of the replacement mobilehome will be charged registration and license fees equal to local property taxes paid on the destroyed mobilehome for the year prior to its destruction.

(e) If the department determines that a replacement mobilehome subject to vehicle license fee is not eligible for tax relief in accordance with the provisions of this chapter, the vehicle license fee for the replacement mobilehome shall be determined in accordance with the provisions of Sections 18115 and 18115.5 of the Health and Safety Code.

(f) If the tax on a replacement mobilehome determined in accordance with subdivision (b) or (d) is greater than the tax would be if determined without reference to this chapter, the lesser amount shall be levied.

(g) If a mobilehome subject to tax relief in accordance with the provisions of this chapter is subsequently sold or transferred to another party, the subsequent owner shall not receive this tax relief unless he or she is eligible in his or her own right for that relief.

5800. Title. This part shall be known and may be cited as "The Mobilehome Property Tax Law."

5801. "Mobilehome." (a) As used in this part, "mobilehome" means a mobilehome as defined in Sections 18008 and 18211 of the Health and Safety Code which:

(1) Was first sold new on or after July 1, 1980.

(2) Was first sold new on or before June 30, 1980, and with respect to which the license fee required to be paid pursuant to Part 5 (commencing with Section 10701) of Division 2 has been delinquent for 120 days or more.

(3) Was, at the request of the owner, and following his or her notification of the Department of Housing and Community Development and the assessor, made subject to taxation under this part.

If a mobilehome consists of two or more transportable sections which have been assembled as a single unit or were manufactured or fabricated for later assembly as a single unit, and each section has been separately registered under the Vehicle Code, the provisions of this part shall apply to all sections of the mobilehome if the license fee for any section has been delinquent for 120 days or more.

(b) "Mobilehome" as used in this part does not include a mobilehome which has become real property by being affixed to land on a permanent foundation system or otherwise and is taxed as all other real property is taxed.

Note: The above version of Section 5801 was amended on October 1, 1984 by Senate Bill 1841 (Chapter 1760) and now reads as follows:

5801. (a) As used in this part, "mobilehome" means a mobilehome as defined in Sections 18008 and 18211 of the Health and Safety Code which:

(1) Was first sold new on or after July 1, 1980.

(2) Was, at the request of the owner, and following his or her notification of the Department of Housing and Community Development and the assessor, made subject to taxation under this part.

(b) "Mobilehome" as used in this part does not include a mobilehome which has become real property by being affixed to land on a permanent foundation system or otherwise and is taxed as all other real property is taxed.

5802. "Base year value." (a) Except as provided in subdivision (b), "base year value" as used in this part means the full cash value of a mobilehome on the date the mobilehome is purchased or changes ownership. If the mobilehome undergoes any new construction after it is purchased or changes ownership, the base year value of the new

construction is its full cash value on the date on which the new construction is completed, and if uncompleted, on the lien date.

(b) The base year value of a mobilehome for which the license fee is delinquent as defined in paragraph (2) of subdivision (a) of Section 5801 shall be its full cash value on the lien date for the fiscal year in which it is first enrolled.

5803. "Full cash value." (a) "Full cash value" means the "full cash value" or the "fair market value," as determined pursuant to Section 110, of a mobilehome similarly equipped and installed, including any value attributable to a mobilehome accessory building or structure as defined in Section 18213 of the Health and Safety Code which is sold along with the mobilehome, giving recognition, however, to the exemption provided in subdivision (m) of Section 3 of Article XIII of the Constitution.

(b) The Legislature finds and declares that, because owners of mobilehomes subject to property taxation on rented or leased land do not own the land on which the mobilehome is located and are subject to having the mobilehome removed upon termination of tenancy, "full cash value" for purposes of subdivision (a) does not include any value attributable to the particular site where the mobilehome is located on rented or leased land which would make the sale price of the mobilehome at that location different from its price at some other location on rented or leased land. In determining the "full cash value" of such a mobilehome on rented or leased land, the assessor shall take into consideration, among other relevant factors, sales prices listed in recognized value guides for mobilehomes, including, but not limited to, the Kelley Blue Book Manufactured Housing and Mobilehome Guide and the National Automobile Dealer Association's Mobilehome Manufactured Housing Appraisal Guide.

5804. Taxable value of a mobilehome. As used in this part, "taxable value of a mobilehome" means the base year value, or the base year value as adjusted pursuant to Section 5813, plus the value of any new construction as determined pursuant to Section 5825.

5810. Valuation. Except as otherwise provided in this part, mobilehomes shall be subject to property taxation in the same manner and to the same extent, and shall be subject to the other provisions of this division in the same manner and to the same extent as any other personal property on the roll as defined in Section 109.

5811. Amount of tax. The amount of local property tax on a mobilehome shall be determined by applying the appropriate assessment ratio and tax rate to the taxable value of the mobilehome. The "appropriate tax rate" is the rate determined under Section 2237 for the tax rate area in which the mobilehome is situated.

5812. Value; entry on roll. (a) The base year value of a mobilehome which is purchased or which changed ownership shall be entered on the roll for the lien date next succeeding the date of the purchase or change in ownership. The value of any new construction shall be entered on the roll for the lien date next succeeding the date of completion of the new construction. The value of new construction in progress on the lien date shall be entered on the roll as of the lien date.

(b) The base year value of a mobilehome described in paragraph (2) of subdivision (a) of Section 5801 shall be entered on the roll for the lien date next succeeding: (1) the date on which it is discovered; or (2) if the listing required by subdivision (b) of Section 18119 of the Health and Safety Code has been furnished, the 120th day following the date upon which the fee became delinquent.

Note: The above version of Section 5812 was amended as of October 1, 1984 by Senate Bill 1841 (Chapter 1760) to read as follows:

5812. The base year value of a mobilehome which is purchased or which changed ownership shall be entered on the roll for the lien date next succeeding the date of the purchase or change in ownership. The value of any new construction shall be entered on the roll for the lien date next succeeding the date of completion of the new construction. The value of new construction in progress on the lien date shall be entered on the roll as of the lien date.

5813. Taxable value. For each lien date after the lien date for which the base year value is determined, the taxable value of a mobilehome shall be the lesser of:

(a) Its base year value, compounded annually since the base year by an inflation factor, which shall be the percentage change in the cost of living, as defined in Section 2212, provided, that any percentage increase shall not exceed 2 percent of the prior year's value; or

(b) Its full cash value, as defined in Section 5803, as of the lien date, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, or other factors causing a decline in value; or

(c) If the mobilehome is damaged or destroyed by disaster, misfortune, or calamity, its value determined pursuant to (b) shall be its base year value until the mobilehome is restored, repaired or reconstructed or other provisions of law require establishment of a new base year value.

5814. "Change in ownership;" "purchase". For purposes of this part, "change in ownership" and "purchase" shall have the same meanings as provided in Sections 60 to 68, inclusive, to the extent applicable. The operative dates of those sections shall be

controlling in the determination of whether a change in ownership or purchase of a mobilehome has occurred.

5815. "Change in ownership" inclusions. Except as otherwise provided in Section 5816, change in ownership, as defined in Section 5814, includes but is not limited to:

(a) (1) The creation of a leasehold interest in a mobilehome for a term of 35 years or more (including renewal options), the termination of a leasehold interest in a mobilehome which had an original term of 35 years or more (including renewal options), and any transfer of a leasehold interest having a remaining term of 35 years or more (including renewal options), or (2) any transfer of a lessor's interest in a mobilehome subject to a lease with a remaining term (including renewal options) of less than 35 years.

Only that portion of a property subject to such lease or transfer shall be considered to have undergone a change of ownership.

(b) The creation, transfer, or termination of any joint tenancy interest, except as provided in subdivision (f) of Section 5816 and in Section 5817.

(c) The creation, transfer, or termination of any tenancy in common interest, except as provided in subdivision (a) of Section 5816 and in Section 5817.

(d) Any vesting of the right to possession or enjoyment of a remainder or reversionary interest which occurs upon the termination of life estate or other similar precedent property interest, except as provided in subdivision (d) of Section 5816 and in Section 5817.

(e) Any interest in a mobilehome which vests in persons other than the trustor (or, pursuant to Section 5817, his spouse) when a revocable trust becomes irrevocable.

(f) The transfer of any interest in a mobilehome between a corporation, partnership, or other legal entity and a shareholder, partner, or any other person.

5816. "Change in ownership" exclusions. Change in ownership shall not include:

(a) Any transfer between co-owners which results in a change in the method of holding title to the mobilehome without changing the proportional interest of the co-owners.

(b) Any transfer for the purpose of perfecting title to the mobilehome.

(c) The creation, assignment, termination, or reconveyance of a security interest; or the substitution of a trustee under a security instrument.

(d) Any transfer into a trust for so long as (1) the transferor is the present beneficiary of the trust, or (2) the trust is revocable; or any transfer by a trustee of such a trust described in either clause (1) or (2) back to the trustor; or any creation or termination of a trust in which the trustor retains the reversion and in which the interest of others does not exceed 12 years duration.

(e) Any transfer by an instrument whose terms reserve to the transferor an estate for years or an estate for life; however, the termination of such an estate for years or estate for life shall constitute a change in ownership, except as provided in subdivision (d) and in Section 5817.

(f) The creation or transfer of a joint tenancy interest if the transferor, after such creation or transfer, is one of the joint tenants.

(g) Any transfer of a lessor's interest in a mobilehome subject to a lease with a remaining term (including renewal options) of 35 years or more.

5817. Interspousal transfers. Notwithstanding Sections 5814, 5815, 5816, and 5819, a change of ownership shall not include any interspousal transfer, including, but not limited to:

(a) Transfers to a trustee for the beneficial use of a spouse, or the surviving spouse of a deceased transferor, or by a trustee of such a trust to the spouse of the trustor.

(b) Transfers which take effect upon the death of a spouse.

(c) Transfers to a spouse or former spouse in connection with a property settlement agreement or decree of dissolution of a marriage or legal separation, or

(d) The creation, transfer, or termination solely between spouses, or any co-owner's interest.

5818. Corporation and partnership interests. (a) Except as provided in subdivision (c), the purchase or transfer of ownership interests in legal entities, such as corporate stock or partnership interests, shall not be deemed to constitute a transfer of any mobilehome owned by the legal entity.

(b) Any corporate reorganization, by merger or consolidation, where all of the corporations involved are members of an affiliated group, and which qualifies as a reorganization under Section 368 of the United States Internal Revenue Code and which is accepted as a nontaxable event by similar California statutes, or any transfer of a mobilehome among members of an affiliated group, shall not be a change or ownership. The taxpayer shall furnish proof, under penalty of perjury, to the assessor that the transfer meets the requirements of this subdivision.

For purposes of this subdivision "affiliated group" means one or more chains of corporations connected through stock ownership with a common parent corporation if:

(1) One hundred percent of the voting stock, exclusive of any share owned by directors, of each of the corporations, except the parent corporation, is owned by one or more of the other corporations; and

(2) The common parent corporation owns, directly, 100 percent of the voting stock, exclusive of any shares owned by directors, of at least one of the other corporations.

(c) When a corporation, partnership, other legal entity or any other person obtains control, as defined in Section 25105, of any corporation through the purchase or transfer of corporate stock, exclusive of any shares owned by directors, such purchase or transfer of such stock shall be a change in ownership of any mobilehome owned by the corporation in which the controlling interest is obtained.

5819. Reappraisal; termination of joint tenancy. Whenever a mobilehome is purchased or a change in ownership of a mobilehome occurs, the assessor shall reappraise such mobilehome at its full cash value.

(a) Upon the termination of a joint tenancy interest, only the interest or portion which is thereby transferred from one owner to another owner shall be reappraised, except that:

(1) Upon termination of an original transferor's interest in any joint tenancy interest described in subdivision (f) of Section 5816, the entire interest in the mobilehome held by the original transferor prior to the creation of the joint tenancy shall be reappraised unless it vests, in whole or in part, in the remaining original transferor, in which case there shall be no reappraisal.

(2) Upon the termination of an interest in any joint tenancy interest described in subdivision (f) of Section 5816, other than an original transferor's interest, there shall be no reappraisal if the interest is transferred either to an original transferor or to all remaining joint tenants. For the purpose of this subdivision, spouses of original transferors shall be considered to be original transferors. At such time as the joint tenancy interests of the remaining original transferor of a mobilehome are finally transferred or terminated, the person(s), if any, who next holds joint tenancy interests in said mobilehome immediately following such final transfer or termination shall become the new original transferor.

(b) Except as provided in subdivision (a), if a 5 percent or more undivided interest in a mobilehome is purchased or changes ownership, then only the interest or portion transferred shall be reappraised. A purchase or change in ownership of an undivided interest of less than 5 percent shall not be reappraised, provided, however, that transfers during any assessment year shall be cumulated for the purpose of determining the percentage transferred.

5820. Reporting of change in ownership information. The transferee, or the trustee in the case of a trust, shall report change in ownership information to the assessor as provided in Article 2.5 (commencing with Section 480) of Chapter 3 of Part 2.

Note: Sections 5815 – 5820 of the Revenue and Taxation Code were repealed as of September 30, 1983, by Chapter 1281 of the Statutes of 1983 (Assembly Bill 1136).

5825. "Newly constructed," "new construction". (a) "Newly constructed" and "new construction" means:

(1) Any substantial addition to a mobilehome since the last lien date; and

(2) Any alteration of the mobilehome which constitutes a major rehabilitation thereof or which converts the property to a different use.

(b) Any rehabilitation, renovation, or modernization which converts a mobilehome to the substantial equivalent of a new mobilehome is a major rehabilitation of such mobilehome.

(c) Notwithstanding the provisions of subdivisions (a) and (b), if a mobilehome has been damaged or destroyed by misfortune or calamity, "newly constructed" and "new construction" does not mean any timely reconstruction of the mobilehome, or portion thereof, where the mobilehome after reconstruction is substantially equivalent to the mobilehome prior to damage or destruction. Any reconstruction of a mobilehome, or portion thereof, which is not substantially equivalent to the damaged or destroyed mobilehome, shall be deemed to be new construction and only that portion which exceeds substantially equivalent reconstruction shall have a new base year value determined pursuant to Section 110.1.

The assessor shall determine the new base year value for the portion of any mobilehome which has been newly constructed. The base year value of the remainder of the mobilehome assessed, which did not undergo new construction, shall not be changed. New construction in progress on the lien date shall be appraised at its full value on such date and each lien date thereafter until the date of completion at which time the entire portion of the mobilehome which is newly constructed shall be reappraised at its full value.

5830. Entry on secured roll. The assessment of any mobilehome shall be entered on the secured roll and shall be subject to all provisions of law applicable to taxes on the secured roll, provided, however:

(a) If the taxes on any mobilehome are not a lien on real property of the owner of the mobilehome pursuant to Section 2188.1, 2189, or 2189.3 and are unpaid when any installment of taxes on the secured roll becomes delinquent, the tax collector may use the procedures applicable to the collection of delinquent taxes on the unsecured roll; and

(b) If the taxes on any mobilehome which are not a lien on real property of the owner of the mobilehome remain unpaid at the time set for the sale of the mobilehome on the secured roll to the state for delinquent taxes, the taxes on the mobilehome, together with any penalties and costs which may have accrued thereon while on the secured roll, shall be transferred to the unsecured roll.

(c) The taxes on mobilehomes may be paid in two installments as provided in Chapter 2.1 (commencing with Section 2700) of Part 5, notwithstanding the provisions of Section 2605 and whether or not the board of supervisors has adopted a resolution in accordance with Section 2700.

5831. Notification of amount of assessment. (a) Except as provided in subdivision (f), the assessor shall, upon or prior to completion of the local roll:

(1) Notify each assessee whose mobilehome's taxable value has increased of the taxable value of that mobilehome as it shall appear on the completed local roll; and

(2) Notify each assessee whose mobilehome is to be placed on the local roll pursuant to subdivision (b) of Section 5812 because its license fee has become delinquent for 120 days or more of the taxable value of the mobilehome. The notification shall also be given to the legal owner, if any, of the mobilehome, at the same time it is given to the assessee.

(b) The information given by the assessor to the assessee and legal owner, as applicable, pursuant to paragraph (1) or (2) of subdivision (a) shall include a notification of hearings by the county board of equalization, which shall include the period during which assessment protests will be accepted and the place where they may be filed. The information shall also include an explanation of the stipulation procedure set forth in Section 1607 and the manner in which the assessee may request use of this procedure.

(c) The information shall also include the full value of the property.

(d) The information shall be furnished by the assessor to the assessee personally or by regular United States mail directed to him at his latest address known to the assessor.

(e) Neither the failure of the assessee to receive the information nor the failure of the assessor to so inform the assessee shall in any way affect the validity of any assessment or the validity of any taxes levied pursuant thereto.

(f) This section shall not apply to annual increases in the valuation of property which reflect the inflation rate, not to exceed 2 percent, pursuant to Section 5813.

(g) This section does not apply to increases in assessed value caused solely by changes in the assessment ratio provided for in Section 401.

5832. Tax clearance certificates. Upon application, the county tax collector may issue tax clearance certificates. Such certificates shall be used to permit registration of used mobilehomes and for such other purposes as may be prescribed by the Controller. The certificates may indicate that the county tax collector finds that no local property tax is due or is likely to become due, or that any applicable local property taxes have been paid or are to be paid in a manner not requiring the withholding of registration or the transfer of registration. The certificates shall be in such form as the Controller may prescribe, and shall be executed, issued, and accepted for clearance of registration or permit issuance on such conditions as the Controller may prescribe.

The issuance, alteration, forgery, or use of any such certificate in a manner contrary to the requirements of the Controller constitutes a misdemeanor.

5840. Rules and regulations. The board shall make such rules and regulations and prepare such forms as are necessary for the administration of, and to carry out the intent and purposes of, this part.

5841. Owner or operator of mobilehome park; reports. On or before July 31, 1980, and thereafter annually between March 1 and March 31, the owner or operator of every mobilehome park as defined in Section 18214 of the Health and Safety Code shall file a report with the assessor of the county where the mobilehome park is located. The report shall be in such form and contain such information as the board may prescribe, and shall set forth the name and address of the owner of, the make, model and license or decal number, and the space number of every mobilehome which: (1) for the report due July 31, 1980, is in the park on July 1, 1980; or (2) for the reports due annually, is in the park on March 1 of the present year but was not in the park on March 1 of the preceding year.

Note: The above version of Section 5841 was amended as of October 1, 1984 by Senate Bill 1841 (Chapter 1760) to read as follows:

5841. The Department of Housing and Community Development shall furnish to the county assessor of the county in which a mobilehome is sited, on or before the last day of each calendar month, a listing of all new registrations and titles to mobilehomes sited, or to be sited, in that county.

5842. Exchange of information. The board, the Department of Motor Vehicles, the Department of Housing and Community Development and any county assessor shall exchange or otherwise provide to one another any information relevant to the regulations, titling and taxation of mobilehomes. Such information shall be held confidential by the party receiving the information, except to the extent the information is open to public inspection pursuant to Sections 408, 408.1, and 833 of the Revenue and Taxation Code, and Section 1808 of the Vehicle Code.

10759.5. Lapsed registration. (a) Notwithstanding the provisions of Section 10758, on or after July 1, 1980, any mobilehome, with respect to which the license fee required to be paid by this part has been delinquent for a period of 120 days or more, shall no longer be subject to the provisions of this part. Instead, that mobilehome shall be subject to the provisions of law governing local property taxation. However, until the time the mobilehome is actually enrolled on the local property tax roll pursuant to Section 5812, any fees which would otherwise be due under this part shall be deemed delinquent and subject to the collection procedures provided in subdivision (c). The mobilehome shall not become subject to local property taxes until it is enrolled.

Except as provided in Article 4 (commencing with Section 10910) of Chapter 3, if a mobilehome consists of two or more transportable sections which have been assembled as a single unit or were manufactured or fabricated for later assembly as a single unit, and each section has been separately registered under the Vehicle Code, and the license fee for any section of the mobilehome has been delinquent for 120 days or more, all sections of the mobilehome shall no longer be subject to the provisions of this part and shall become subject to the provisions of law governing local property taxation.

(b) In determining whether the license fee has been delinquent for 120 days or more, the 120-day period shall not include any days during which the mobilehome is the subject of any probate proceedings in this state. The 120-day period shall commence upon sale or distribution of the mobilehome by the executor or administrator. If the license fee was delinquent for 120 days or more prior to the date of death, the mobilehome shall be subject to property taxation.

(c) With regard to any mobilehome subject to local property taxation pursuant to the provisions of subdivision (a), any delinquent fees and penalties due under this part and under Article 2 (commencing with Section 9250) of Chapter 6 of Division 3 of the Vehicle Code as reported by the Department of Motor Vehicles or the Department of Housing and Community Development shall be added to the applicable property tax bill. The delinquent fees and penalties may be added to the secured roll and may be collected and distributed in the same manner as property taxes, or, in the alternative, may be added to the unsecured roll, collected like and distributed like all other taxes on that roll. If the amount of delinquent fees and penalties does not appear in the records of the Department of Motor Vehicles or the Department of Housing and Community Development, the Department of Housing and Community Development shall determine from available information, if any, what the delinquent fees and penalties would have been had the mobilehome been registered. If the amount of delinquent fees and penalties cannot be determined by the Department of Housing and Community Development, there shall be added an amount representing delinquent fees and penalties which shall be one hundred dollars (\$100) or 1 percent of the current value of the mobilehome for each year or part thereof the mobilehome has been in this state without a current registration, not to exceed four years, whichever is more.

Whenever there is a transfer of registration, the liability for delinquent fees and penalties is that of the seller and not the buyer of the mobilehome.

(d) The State Board of Equalization shall adopt and amend as necessary rules and regulations to carry out as well as enforce the provisions of this section.

(e) For purposes of this section, "mobilehome" is defined in Section 396 of the Vehicle Code.

(f) If any mobilehome owner disputes the amount of delinquent fees and penalties reported by the Department of Housing and Community Development, the owner shall pay the amount reported to the county tax collector. If the Department of Housing and Community Development determines that a refund is due, it shall notify the auditor who shall refund the overpayment or erroneous payment of fees and taxes to the owner.

Note: Section 10759.5 has been repealed by Senate Bill 1841 (Chapter 1760), as of October 1, 1984.

10760. Waiver of delinquency. (a) Notwithstanding any other provision of law, any owner of a mobilehome for which the license fee required to be paid became delinquent between July 1, 1980, and March 1, 1982, and who paid the delinquent fee due or furnishes proof or verification by a county tax collector that payment of property taxes on the mobilehome is current as of the date of filing a waiver of delinquency with the Department of Housing and Community Development, shall not be subject to penalty or local property taxation, if a request for waiver of the delinquency postmarked between September 24, 1982, and January 1, 1984, is filed with the department.

(b) Notwithstanding any other provision of law, payment of the first installment on property taxes due and payable in fiscal year 1982-83 by delinquent mobilehome owners filing a waiver of delinquency under this section shall be deemed full payment of that 1982-83 property tax liability, if the waiver of delinquency is filed and postmarked no later than April 9, 1983.

(c) The department shall establish a vehicle license fee renewal date for mobilehome owners paying property taxes on the mobilehome for the 1982-83 calendar year, who file a waiver of delinquency and are reinstated pursuant to this section not sooner than 180 days after the delinquency date on which property taxes for 1982-83 are due and payable, as follows:

(1) For those mobilehome owners filing a waiver of delinquency no later than April 9, 1983, pursuant to subdivision (b), December 10th.

(2) For those mobilehome owners filing a waiver of delinquency pursuant to subdivision (a) between April 10, 1983, and January 1, 1984, April 10, 1983.

(d) Forms for filing the waiver of delinquency shall be provided by the Department of Housing and Community Development through its offices and county assessors and shall include provisions for the county tax collector to verify any payment of local property taxes on the mobilehome by the mobilehome owner.

Note: The above version of Section 10760 was amended by Senate Bill 1841 (Chapter 1760, Statutes of 1984), effective October 1, 1984 to read as follows:

10760. (a) Notwithstanding any other provision of law, a mobilehome sold new on or before June 30, 1980, on which the license fee required to be paid under this part has been delinquent for 120 days or more, shall not be subject to local property taxation, if a request for reinstatement to the vehicle license fee under this part is filed with the Department of Housing and Community Development with a postmark dated no later than December 31, 1986, showing verification by the county tax collector that payment of property taxes on the mobilehome is current, as of the date of filing.

(b) Applications for filing for reinstatement pursuant to this section shall be provided by the Department of Housing and Community Development through its offices and offices of county assessors and county tax collectors.

(c) A mobilehome shall not qualify for reinstatement to the license fee under this part unless payment of property taxes on the mobilehome is current. Reinstatement application shall include a provision for county tax collectors to verify that the payment of property taxes is current. For purposes of this section, mobilehome owners who submit reinstatement applications to the tax collector for verification prior to September 1st of the fiscal year for which property taxes on the mobilehome will be due and whose verified applications are filed with the department with a postmark date no later than 30 days thereafter are considered current on the payment of property taxes if the payment of property taxes on the mobilehome for prior fiscal years has been satisfied.

(d) Any used mobilehome, the sale of which has not been subject to sales or use tax pursuant to Section 6379 or Section 18116.5 of the Health and Safety Code, shall not qualify for reinstatement to the license fee under this part unless, in addition to the other requirements of this section, the full sales or use tax liability on the last sale, which would have been owed if the mobilehome had not been subject to property taxation, is paid.

(e) The Department of Housing and Community Development, upon receiving the verified reinstatement application and determining that the requirements of this section have been complied with, shall reinstate the mobilehome to the license fee, establish a license fee renewal date for the mobilehome, and notify the county tax assessor to remove the mobilehome from the local property tax roll.

10910. Petition for reinstatement. Any assessee, registered owner, legal owner, or junior lienholder of a manufactured home or mobilehome which has become subject to local property taxation because the license fee has been delinquent for 120 days or more may file a petition for reinstatement to the vehicle license fee in accordance with this article. That petition shall be filed with the Department of Housing and Community Development within 210 days of the date of delinquency. The petition shall state the grounds upon which the petition is filed and shall be in a form and contain that information which the Department of Housing and Community Development may prescribe. If the petition is not timely filed, the placement of the manufactured home or mobilehome on the local property tax roll shall become final.

10911. Service fee; investigation; excusable delay. Upon receipt of a timely petition, and a service fee to cover the cost of processing the petition, the director shall investigate into the circumstances presented in the petition. If the director determines that the failure to pay the license fee was due to reasonable cause and circumstances beyond the person's control, including, but not limited to, the administrative or clerical error of the department, and occurred notwithstanding the exercise of ordinary care and the absence

of willful neglect, the director may grant the petition, and upon payment to the Department of Housing and Community Development of all delinquent fees, the mobilehome shall be removed from the local roll and reinstated to the status of a mobilehome subject to the fee imposed pursuant to this part.

If a petitioner has paid delinquent fees or local property taxes to the county tax collector on a mobilehome for which a petition is granted, the delinquent fees due to the department shall be paid within 60 days of the date the petition was granted. Failure to pay the delinquent fees within this period shall void the reinstatement and the petition shall be deemed denied. The director may extend this period if the repayment to the petitioner by the county as provided by Section 10913 is delayed.

10912. Notice of decision. The director shall grant or deny the petition, and notify the petitioner and the assessor of the county where the mobilehome is situated within 90 days of the date the petition is filed. Failure to act on the petition within 90 days shall be deemed a denial of the petition. The decision of the director shall be final.

10913. Reinstatement; delinquent fees and penalties or local property taxes. If delinquent fees and penalties, or local property taxes, have been paid to a local tax collector for a mobilehome which is reinstated, the amount of those fees, penalties, and taxes shall be refunded by the county to which they were paid, to the person who paid them, within 30 days of the date the petition was granted. If those fees, penalties, and local property taxes have been billed on such a mobilehome but have not been paid, the billing, including any penalties, shall be cancelled. If those fees, penalties, and taxes have been billed on a mobilehome for which a petition for reinstatement is denied, but have not been paid, those fees, penalties, and taxes may be paid within 60 days of the date of denial of the petition without penalty for time elapsed within that 60-day period.

10914. Failure of dealer or escrow officer to pay license fee timely. If the petitioner provides proof satisfactory to the director that the license fee was paid to a licensed dealer or to escrow and the fees become delinquent for 120 days or more as a result of the failure of the dealer or escrow officer to submit the report-of-sale and supporting documents along with the fee in a timely manner as required by subdivision (c) of Section 18080.5 of the Health and Safety Code, the director shall find that reasonable cause for delinquency exists, and the petition shall be granted and the mobilehome shall be reinstated upon payment of delinquent fees as provided in Section 10911.

10915. "Director." For purposes of this article, "director" means the Director of Housing and Community Development or his designee.

10916. Staff. The director may hire temporary staff as necessary to implement the provisions of this article in accordance with the state merit system administered by the State Personnel Board.

10917. Disposition of service fees. Service fees received pursuant to this article shall be deposited in the Mobilehome-Manufactured Home Revolving Fund established pursuant to Section 18016.5 of the Health and Safety Code. The fees are continuously appropriated therefrom to the director to carry out the purposes of this article.

C. VEHICLE CODE SECTIONS

396. "Mobilehome." "Mobilehome" is a structure as defined in Section 18008 of the Health and Safety Code. As used in this code, a mobilehome is a trailer coach which is in excess of eight feet in width or in excess of 40 feet in length and is subject to the registration requirements of this code.

5901. Notice by dealer or lessor-retailer; transfer; mileage of vehicle. (a) Every dealer or lessor-retailer, upon transferring by sale, lease or otherwise any vehicle, whether new or used, of a type subject to registration under this code, shall, not later than the end of fifth calendar day thereafter, not counting the day of sale, give written notice of the transfer to the department at its headquarters upon an appropriate form provided by it.

(b) Except as otherwise provided in this subdivision or in subdivision (c), in the case of a vehicle under 6,001 pounds, manufacturer's maximum gross vehicle weight rating, the dealer or lessor-retailer shall indicate on the form the actual mileage of the vehicle as indicated by the vehicle's odometer at the time of the transfer. However, if the vehicle dealer or lessor-retailer has knowledge that the mileage displayed on the odometer is incorrect, the licensee shall indicate on the form the true mileage, if known, of the vehicle at the time of the transfer. A vehicle dealer or lessor-retailer need not give the notice when selling or transferring a new unregistered vehicle to a dealer or lessor-retailer.

(c) When the dealer or lessor-retailer is not in possession of the vehicle that is sold or transferred, the person in physical possession of the vehicle shall give the information required by subdivision (b).

(d) A "sale" shall be deemed completed and consummated when the purchaser of that vehicle has paid the purchase price, or, in-lieu thereof, has signed a purchase contract or security agreement, and taken physical possession or delivery of that vehicle.

SUMMARY OF BOARD LETTERS TO COUNTY ASSESSORS
DEALING WITH MOBILEHOMES

Number	Date	Highlights
78/57	April 3, 1978	Mobilehomes placed on permanent foundations should be enrolled as improvements
80/4	January 11, 1980	<ol style="list-style-type: none"> 1. Mobilehomes installed on foundations on owner's land became taxable on 1980 lien date (Assembly Bill 887). 2. As of July 1, 1980 certain mobilehomes became taxable (Senate Bill 1004).
80/112	August 8, 1980	<ol style="list-style-type: none"> 1. A mobilehome removed from an approved foundation system is again subject to the vehicle license fee. 2. The "Mobilehome Property Tax Law" was enacted (Senate Bill 1422).
80/142	September 23, 1980	Procedure recommended for calculating equitable license fees for delinquent mobilehomes.
81/52	April 14, 1981	Legal owners of mobilehomes must be notified of such fact in event of delinquency and of taxable value of mobilehome.
81/54	April 17, 1981	Exemptions and tax credits apply to both taxable and licensed mobilehomes.
81/118	September 29, 1981	Mobilehomes can be classified as either real or personal property.
82/58	April 6, 1982	Mobilehomes subject to local property tax because of vehicle license fee delinquency can be reinstated (Assembly Bill 1400).
82/139	December 17, 1982	<ol style="list-style-type: none"> 1. Waiver of delinquency is possible for certain delinquent mobilehomes first sold new prior to July 1, 1980 (Senate Bill 1343). 2. HCD, not the assessor, must notify mobilehome owners of consequences of continuing license fee delinquency (Assembly Bill 3382).

<u>Number</u>	<u>Date</u>	<u>Highlights</u>
82/139	(Continued)	<ol style="list-style-type: none"> 3. Mobilehome owners can voluntarily transfer to local property taxation (Assembly Bill 3882). 4. Mobilehomes can get tax relief in Governor-declared disaster areas (Assembly Bill 3382). 5. Petitions for mobilehome reinstatement must be accepted for 210 days after expiration of vehicle license fee (Assembly Bill 3382).
83/86	August 19, 1983	Certain mobilehome accessories are presumed subject to vehicle license fee (Senate Bill 191).
83/115	November 4, 1983	<ol style="list-style-type: none"> 1. Local property taxation mobilehomes are eligible for property tax postponement (Assembly Bill 800). 2. Redundant mobilehome statutes relating to new construction and change in ownership were repealed (Assembly Bill 1136). 3. Deadline for filing requests for waiver of vehicle license fee delinquency was extended until January 3, 1984 (Assembly Bill 1136). 4. Assessors are required to consider recognized value guides when valuing mobilehomes (Senate Bill 797).
83/128	December 6, 1983 (Questions and Answers 1-6)	Taxable mobilehomes are also subject to supplemental assessment.
84/108	November 20, 1984	<ol style="list-style-type: none"> 1. Blind and disabled mobilehome owners may postpone property taxes on their mobilehomes, provided the usual criteria are met (Assembly Bill 3737).

Number	Date	Highlights
84/108	(Continued)	<ol style="list-style-type: none">2. On or after October 1, 1984, the delinquency of a mobilehome license fee beyond 119 days will not cause the mobilehome to become locally taxable (Senate Bill 1841).3. Mobilehomes that have already been enrolled under local property taxation because of license fee delinquency can, until December 31, 1986, regain vehicle status under certain conditions (Senate Bill 1841).4. Mobilehome park operators are no longer required to submit annual occupancy reports to county assessors (Senate Bill 1841).5. Mobilehomes voluntarily transferred to local property taxation are eligible for tax postponement (Senate Bill 1928).6. Between January 1, 1985 and January 1, 1989, the acquisition of a mobilehome park by certain entities formed expressly to purchase the park is excluded from change in ownership (Senate Bill 2240).

LISTING OF MOBILEHOME PROPERTY TAX LEGISLATION

Assembly Bill 887 Chapter 1160 September 27, 1979

Mobilehomes installed on a foundation system on the owner's land are taxable beginning with the 1980 lien date.

Senate Bill 1004 Chapter 1180 September 30, 1979

As of July 1, 1980 certain mobilehomes became subject to local property taxation instead of the in-lieu tax (vehicle license fee).

Senate Bill 1422 Chapter 285 June 30, 1980

The Mobilehome Property Tax Law was enacted as an urgency statute to provide for the application of Article XIII A to certain new and delinquent mobilehomes.

Dealers selling new or used mobilehomes were required to notify the assessor of the transfer of any mobilehome, including information pertinent to the assessor's needs.

Assembly Bill 2915 Chapter 1149 September 26, 1980

On and after July 1, 1981, all mobilehomes and commercial coaches, as defined, excepting those mobilehomes subject to local property taxation, are subject to registration and licensing by the Department of Housing and Community Development.

Mobilehomes being installed on an approved foundation system can be placed on land under long-term lease to the mobilehome owner or being purchased by the owner, as well as on land already owned by the owner of the mobilehome.

The filing with the assessor of the notice of transfer of a mobilehome would serve in-lieu of the change in ownership statement required by Sections 480 and 482 of the Revenue and Taxation Code.

Senate Bill 1193 Chapter 975 September 29, 1981

Mobilehome dealers were allowed ten days instead of five to file a notice of transfer with the assessor upon the sale, lease or other transfer of any new or used mobilehome.

Assembly Bill 1400 Chapter 40 September 29, 1981

The Department of Housing and Community Development created a program to allow the reinstatement of certain delinquent mobilehomes to vehicle license fee status when the delinquency was not attributable to the owner's negligence.

Senate Bill 1343 Chapter 1395 September 24, 1982

Certain mobilehomes that had become taxable because of delinquency of vehicle license fees could obtain from HCD a waiver of delinquency and a return to vehicle status.

Assembly Bill 3382 Chapter 1465 September 27, 1982

HCD would assume from the assessor the responsibility for notifying mobilehome owners of vehicle license fee delinquency.

A mobilehome acquired to replace one destroyed as a result of a Governor-declared disaster could receive relief in local property tax or vehicle license fee liabilities.

Petitions for reinstating mobilehomes to vehicle license fee status could be filed up to 210 days after delinquency.

Mobilehome owners could voluntarily transfer their mobilehomes from vehicle license fee to local property taxation.

Senate Bill 191 Chapter 349 July 23, 1983

Mobilehome accessories accompanying certain mobilehomes located on leased land are presumed subject to vehicle license fees and hence are not subject to local property taxation unless the county assessor can overcome this presumption.

Senate Bill 797 Chapter 807 September 14, 1983

County assessors are required to consider recognized value guides when valuing mobilehomes.

Assembly Bill 800 Chapter 1051 September 23, 1983

Qualified senior citizens can postpone property taxes on their mobilehomes that are their principal place of residence.

Senate Bill 1035 Chapter 1124 September 27, 1983

Mobilehomes are not subject to either license fee regulations or property tax statutes prior to being originally registered in the name of a consumer.

Assembly Bill 1136 Chapter 1281 September 29, 1983

The deadline for filing a request for waiver of delinquency of vehicle license fee was extended to December 31, 1983.

Senate Bill 1928 Chapter 1342 September 25, 1984

Mobilehomes voluntarily transferred to local property taxation are eligible for property tax postponement.

Assembly Bill 3737 Chapter 1578 September 29, 1984

Blind and disabled property owners can postpone property taxes on their mobilehomes that are subject to local property taxation. See ACA 66 below.

Senate Bill 2240 Chapter 1692 September 30, 1984

On or after July 1, 1985, the transfer of a mobilehome park to a nonprofit corporation, stock cooperative, or other entity formed by the tenants of a mobilehome park in order to purchase the park is excluded from change in ownership.

Senate Bill 1841 Chapter 1760 October 1, 1984

Owners of mobilehomes subject to local property taxation because of a delinquency in vehicle license fee may request reinstatement to vehicle status by meeting certain conditions on or before December 31, 1986.

HCD will inform county assessors each month of all new registrations and titles to mobilehomes sited, or to be sited, in each county.

The delinquency of vehicle license fee will no longer cause a mobilehome to become subject to local property taxation.

Assembly Constitutional Amendment 66 Ballot Proposition 33 November 6, 1984

This Constitutional Amendment, which was approved by the California voters in the general election held on the above date, modified Section 8.5 of Article XIII of the California Constitution to allow the Legislature to provide for property tax postponement for blind or disabled persons who owned and occupied their residences, including mobilehomes that are subject to local property taxation.

AS-11B-2511A