

**Amend Section 1603 of the Revenue and Taxation Code to extend the final date for filing an assessment appeal from September 15<sup>th</sup> to November 30<sup>th</sup>.**

**Source: Honorable John Chiang**

Under current Section 1603(b) of the Revenue and Taxation Code, the period to file an assessment appeal for property tax purposes is July 2 to September 15. Since Section 2610.5 requires that property tax bills be mailed before November 1, taxpayers typically do not receive their annual property tax bill until October or early November, which is after the deadline has passed for filing an assessment appeal. These incompatible dates have caused some frustration for taxpayers who find they cannot appeal the assessment on which their taxes are based. The frustration was especially acute in the 1990's when the current fair market value of many properties dropped below their Proposition 13 factored base year value for the first time.

This appeals filing period worked well prior to Proposition 13 when property was cyclically reappraised to current market value and assessors were required to notify taxpayers of increases in their assessed value prior to July 1. Section 619 still requires the assessor to notify taxpayers of increases in assessed value prior to July 1, but the requirement to send a notice is waived when the only change in assessed value is the application of the annual 2% inflation adjustment pursuant to the provisions of Proposition 13. Since the majority of properties fall into this category, most taxpayers do not receive a notice of their properties assessed value until the tax bill arrives in October or November. (A few assessors send value notices to all taxpayers, however the majority of counties do not because of the cost involved). Property owners can generally depend that under Proposition 13 their assessed value will be the prior year's value increased by no more than 2%, absent new construction or a change in ownership. Based on that information, they can estimate their assessment for the next year. While there are notices in newspapers and other media sources alerting taxpayers to the appeals period, not all taxpayers will be made aware and others may not act until the tax bill is in hand.

Property taxes are payable in two equal installments, with the first installment due November 1 and delinquent on December 10. (§2704) This proposal would extend the final filing date for an assessment appeal to November 30<sup>th</sup>, which is 30 days after the date the tax bill must be mailed. This would give taxpayers additional time to file an appeal after receipt of their tax bills and thereby eliminate a source of continuous conflict between counties and taxpayers. By extending the appeals filing deadline, this measure would eliminate the frustration of taxpayers who find it is too late to appeal their assessment at the time they receive their tax bill.

Previous legislative proposals to extend the filing deadline for assessment appeals include SB 657 (Maddy, 1995), sponsored by Cal-Tax; AB 614 (Rainey, 1993), sponsored by the Contra Costa County Assessor; SB 1795 (Johnson, 1992), sponsored by the author, and SB 2169 (SR&T, 2000) sponsored by the Board of Equalization.

*Section 1603 of the Revenue and Taxation Code is amended to read:*

1603. (a) A reduction in an assessment on the local roll shall not be made unless the party affected or his or her agent makes and files with the county board a verified, written application showing the facts claimed to require the reduction and the applicant's opinion of the full value of the property. The form for the application shall be prescribed by the State Board of Equalization.

(b) (1) The application shall be filed within the time period from July 2 to ~~September 15~~ November 30, inclusive. An application that is mailed and postmarked ~~September 15 or earlier~~ within that period shall be deemed to have been filed within the time period beginning July 2 and continuing through and including ~~September 15~~ November 30.

(2) If ~~September 15~~ November 30 falls on Saturday, Sunday, or a legal holiday, an application that is mailed and postmarked on the next business day shall be deemed to have been filed within "the time period beginning July 2 and continuing through and including ~~September 15~~ November 30." If on the dates specified in this paragraph, the county's offices are closed for business prior to 5 p.m. or for that entire day, that day shall be considered a legal holiday for purposes of this section.

(3) If the taxpayer does not receive the notice of assessment described in Section 619 at least 15 calendar days prior to the deadline to file the application described in this subdivision, the party affected, or his or her agent, may file an application within 60 days of receipt of the notice of assessment or within 60 days of the mailing of the tax bill, whichever is earlier, along with an affidavit declaring under penalty of perjury that the notice was not timely received.

(c) However, the application may be filed within 12 months following the month in which the assessee is notified of the assessment, if the party affected or his or her agent and the assessor stipulate that there is an error in the assessment as the result of the exercise of the assessor's judgment in determining the full cash value of the property and a written stipulation as to the full cash value and assessed value is filed in accordance with Section 1607.

(d) Upon the recommendation of the assessor and the clerk of the county board of equalization, the board of supervisors may adopt a resolution providing that an application may be filed within 60 days of the mailing of the notice of the assessor's response to a request for

reassessment pursuant to paragraph (2) of subdivision (a) of Section 51, if all of the following conditions are met:

(1) The request for reassessment was submitted in writing to the assessor in the form prescribed by the State Board of Equalization and includes all information that is prescribed by the State Board of Equalization.

(2) The request for reassessment was made on or before the immediately preceding March 15.

(3) The assessor's response to the request for reassessment was mailed on or after September 1 of the calendar year in which the request for reassessment was made.

(4) The assessor did not reduce the assessment in question in the full amount as requested.

(5) The application for changed assessment is filed on or before December 31 of the year in which the request for reassessment was filed.

(6) The application for reduction in assessment is accompanied by a copy of the assessor's response to the request for reassessment.

(e) In the form provided for making application pursuant to this section, there shall be a notice that written findings of facts of the local equalization hearing will be available upon written request at the requester's expense and, if not so requested, the right to those findings is waived. The form shall provide appropriate space for the applicant to request written findings of facts as provided by Section 1611.5.

(f) The form provided for making an application pursuant to this section shall contain the following language in the signature block:

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 and that I am (1) the owner of the property or the person affected (i.e., a person having a direct economic interest in the payment of the taxes on that property-- "The Applicant," (2) an agent authorized by the applicant under Item 2 of this application, or (3) an attorney licensed to practice law in the State of California, State Bar No. \_\_\_\_\_, who has been retained by the applicant and has been authorized by that person to file this application.