

STATE BOARD OF EQUALIZATION



Stephen L. Vagnini Item # M1

Item Name: Impact of Covid-19 on PT Admin

Meeting Date: 5/13/20 Minutes Exhibit # 5.12

PUBLIC COMMENT

From: May 13, 2020 Board Meeting-Public Comment

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To: Srinivasan, Indhubala (Indhu) <Indhubala.Srinivasan@boe.ca.gov>

Subject: May 13, 2020 Board Meeting-Public Comment

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Agenda Item: M1

Comment:

Prop 8, as you know, is when assessors lower the taxable value of a property when the property is assessed higher than the market value. Section 170 mandates that we provide disaster relief (under certain conditions) and that we lower the assessed value regardless of whether the property value is above or below market value. Therefore, if Section 170 is interpreted to require assessors to lower values as a result of restricted access does that mean that we will have to lower the value of a property even if it's current value on the roll is say 25% of market value? When we process a disaster relief for a property that has been damaged by fire we diminish the value of the property by a percentage regardless of whether or not the assessed value is above or below market value. Moreover, Section 170 (3) (b) states "the assessor shall appraise the property and determine separately the full cash value of land, improvements and personality immediately before and after the damage of destruction." How will/would the assessor determine the full cash value of the property immediately after the destruction of the property without knowing how long access to the property will be restricted? Whereas Section 170 Disaster relief is calculated on a cost approach (cost to cure) if we were to have to apply Section 170 to properties that have restricted access we will need to do so using the income approach to value and the only way that we can determine the diminished value is if we know how long of a period of time that the property's access will be restricted.