



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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June 8, 1995

Honorable Cris Andrews, Assessor-Recorder
County of Shasta
1500 Court St., Room 115
Redding, CA 96001-1694

ATTN: Mr. Joseph A. Pulcini, Senior Appraiser

Re: Reallocation of Base Year Value Upon Parcel Change

Dear Mr. Andrews:

In your letter of January 26, 1995 you asked our opinion on a situation wherein 187.91 acres in the center of a property totaling 500.18 acres were deeded to the City of Shasta Lake in December 1993 for construction of a golf course. Prior to the dedication the property consisted of nine parcels with a total factored-base year value of \$935,498. After the property was reparcelled by your office and the dedicated acres were segregated, it consisted of 14 parcels but contained the same acreage and identical base year value.

The attorney for the property owner has disputed your method of allocation of the base year value to the new 14 parcels. It is his view that the allocation should be proportional in that his client gave up some 37.5% of the acreage; therefore, his client's subsequent allocation should have been 62.5% of the \$935,498 base year value.

In contrast your appraiser did not consider the original 500.18 acres to possess uniform value so he allocated on the basis of potential physical use of the parcels. This amounted to a reduction of only 7.1% of the owner's factored base year value as opposed to the desired 37.5% as a pro-rata share.

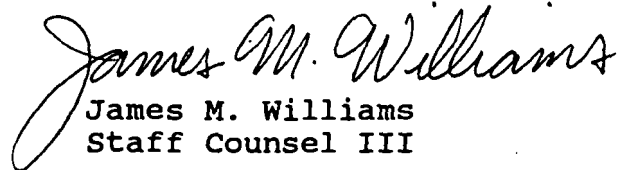
There are no statutes or property tax regulations that control the question of allocation. In Letter to Assessors, No. 84/51 of June 5, 1984 we advised that the issue should be decided as a matter of appraisal judgment, and in subsequent advice we have stated that the allocation should be reasonable based upon the relative value of each new parcel. The only legal constraint

that applies is the basic requirement of Proposition 13 that the total value (factored base year) must remain the same as before the allocation. The precise basis for making the allocation is completely within the discretion of the assessor.

Once, as in your situation, the allocation has been made, the question arises as to whether or not the taxpayer is entitled to a second opinion? Again there is no controlling law on point, but in terms of fairness, we would advise that an assessment appeal may be proper. Although it is true that the normal triggering events, change of ownership or new construction, have not occurred so that overall the factored base year value remains the same, it is equally true as to each new, individual parcel a new base year value has been allocated. We, therefore, suggest that it would be proper to permit the taxpayer to proceed pursuant to Revenue and Taxation Code, Section 80, and appeal the base year allocation for all of the new parcels. This would result in a factual question for the appeals board as it previously was for the assessor, so there is no precise legal point that would control the board's judgment.

Please call if you have additional questions on this matter.

Very truly yours,


James M. Williams
Staff Counsel III

JMW:jd
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cc: Mr. John Hagerty, MIC:63
Mr. Dick Johnson, MIC:64
Ms. Jennifer Willis, MIC:70