

March 7, 1978

Mr. Robert J. Herbin
San Bernardino County Assessor
172 West Third Street
San Bernardino, CA 92415

Attention: Mr. John R. Houck, Sr.
Supervising Appraiser

Dear Mr. Houck:

Your letter to William Minor dated January 25, 1978, has been forwarded to me for response.

You ask if occupants of a cooperative mobile home park are entitled to the homeowners' exemption from property tax on the land occupied by the residence of the claimant. You tell us the claimants' ownership is evidenced by a membership certificate and stock which entitles the claimant to a mobile home site and to use the common areas and facilities. And you say ownership rights vest an interest in perpetuity that can be sold, assigned and inherited.

We agree with the analysis in your letter. The exemption should be allowed for this cooperative ownership where the claimants occupy the land as their principal place of residence. Such action would be in accord with the intent and spirit of Section 218(d) of the Revenue and Taxation Code.

We also agree with you that the corporation must annually file a completed Form SBE-ASD AH 266D. In addition, each shareholder, who is occupying a space as his principal place of residence, must file a homeowners' claim form with respect to the land upon which his place of abode is situated.

The homeowners' exemption is to be allowed against the market value of the claimants' site. The site value could be reasonably appraised as the sum of the separate value of the claimants' site plus claimants' share of the value of the common area including land and improvements. Claimants' share of the value of the common area should be that apportioned amount which is determined by an even distribution of the common area value among all home sites.

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In response to other of your questions, we suggest:

1. The instructions in Form AH 266D should be followed to require the corporation to submit certified articles of incorporation. Certified articles of incorporation can easily be obtained from the Secretary of State. A copy of articles or the by-laws, certified by the corporation's president, is not a satisfactory substitute.
2. The purpose of requiring a financial statement is to determine, among other things, that ownership of the land is in the claimants. For example, if the corporation is shown to hold equity interest in certain spaces, then those spaces cannot qualify for the homeowners' exemption.
3. The Board of Equalization does not require you to file any documentation with the Board for review and approval.

Very truly yours,

Robert R. Keeling
Tax Counsel

RRK:fp

bc: Mr. Jack F. Eisenlauer (W. Grommet)
DAS File
Legal Section