

TEHAMA COUNTY ASSESSMENT PRACTICES SURVEY

FEBRUARY 2026

CALIFORNIA STATE BOARD OF EQUALIZATION

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February 24, 2026

TO COUNTY ASSESSORS:

**TEHAMA COUNTY
ASSESSMENT PRACTICES SURVEY**

No. 2026/007

A copy of the Tehama County Assessment Practices Survey Report is enclosed for your information. The State Board of Equalization (BOE) completed this survey in fulfillment of the provisions of sections 15640–15646 of the Government Code. These code sections provide that the BOE shall make surveys in specified counties to determine that the practices and procedures used by the County Assessor in the valuation of properties are in conformity with all provisions of law.

The Honorable Burley Phillips, Tehama County Assessor, was provided a draft of this report and given an opportunity to file a written response to the findings and recommendations contained therein. The report, including the Assessor's response, constitutes the final survey report, which is distributed to the Governor, the Attorney General, and the State Legislature; and to the Tehama County Board of Supervisors and Grand Jury.

Fieldwork for this survey was performed by the BOE's Assessment Practices Survey Division from March through May 2025. The report does not reflect changes implemented by the Assessor after the fieldwork was completed.

Assessor Phillips and staff gave their complete cooperation during the survey. We gratefully acknowledge their patience and courtesy during the interruption of their normal work routine.

Sincerely,

/s/ David Yeung

David Yeung
Deputy Director
Property Tax Department

DY:gdc
Enclosure

TABLE OF CONTENTS

INTRODUCTION..... 1

OBJECTIVE 2

SCOPE AND METHODOLOGY 2

EXECUTIVE SUMMARY 4

OVERVIEW OF TEHAMA COUNTY 6

FINDINGS AND RECOMMENDATIONS 7

ADMINISTRATION 8
 WORKLOAD 8

ASSESSMENT OF REAL PROPERTY 9
 CHANGE IN OWNERSHIP..... 9
 NEW CONSTRUCTION 11

ASSESSMENT OF PERSONAL PROPERTY AND FIXTURES 13
 AUDIT PROGRAM 13
 BUSINESS EQUIPMENT VALUATION 14
 MANUFACTURED HOMES 16

APPENDIX A: STATISTICAL DATA 18
 TABLE 1: ASSESSMENT ROLL 18
 TABLE 2: CHANGE IN ASSESSED VALUES 18
 TABLE 3: GROSS BUDGET AND STAFFING 19
 TABLE 4: ASSESSMENT APPEALS..... 19
 TABLE 5: EXEMPTIONS – WELFARE 20
 TABLE 6: CHANGE IN OWNERSHIP 20
 TABLE 7: NEW CONSTRUCTION 21
 TABLE 8: DECLINES IN VALUE 21
 TABLE 9: AUDITS 22

**APPENDIX B: ASSESSMENT PRACTICES SURVEY DIVISION / PROPERTY TAX
DEPARTMENT SURVEY GROUP 23**

APPENDIX C: RELEVANT STATUTES AND REGULATIONS 24

ASSESSOR'S RESPONSE TO BOE'S FINDINGS 25

INTRODUCTION

Although county government has the primary responsibility for local property tax assessment, the State has both a public policy interest and a financial interest in promoting fair and equitable assessments throughout California. The public policy interest arises from the impact of property taxes on taxpayers and the inherently subjective nature of the assessment process. The financial interest derives from state law that annually guarantees California schools a minimum amount of funding; to the extent that property tax revenues fall short of providing this minimum amount of funding, the State must make up the difference from the general fund.

The assessment practices survey program is one of the State's major efforts to address these interests and to promote uniformity, fairness, equity, and integrity in the property tax assessment process. Under this program, the State Board of Equalization (BOE) periodically reviews the practices and procedures (surveys) of specified County Assessors' offices. This report reflects the BOE's findings in its current survey of the Tehama County Assessor's Office.

The Assessor is required to file with the board of supervisors a response that states the manner in which the Assessor has implemented, intends to implement, or the reasons for not implementing the recommendations contained in this report. Copies of the response are to be sent to the Governor, the Attorney General, the BOE, and the Senate and Assembly; and to the Tehama County Board of Supervisors and Grand Jury. That response is to be filed within one year of the date the report is issued and annually thereafter until all issues are resolved. The Honorable Burley Phillips, Tehama County Assessor, elected to file their initial response prior to the publication of our survey; it is included in this report following the Appendices.

OBJECTIVE

The survey shall "...show...the extent to which assessment practices are consistent with or differ from state law and regulations."¹ The primary objective of a survey is to ensure the Assessor's compliance with state law governing the administration of local property taxation. This objective serves the three-fold purpose of protecting the state's interest in the property tax dollar, promoting fair treatment of taxpayers, and maintaining the overall integrity and public confidence in the property tax system in California.

The objective of the survey program is to promote statewide uniformity and consistency in property tax assessment by reviewing each specified county's property assessment practices and procedures, and publishing an assessment practices survey report. Every Assessor is required to identify and assess all properties located within the county – unless specifically exempt – and maintain a database or "roll" of the properties and their assessed values. If the Assessor's roll meets state requirements, the county is allowed to recapture some administrative costs.

SCOPE AND METHODOLOGY

Government Code sections 15640 and 15642 define the scope of an assessment practices survey. As directed by those statutes, our survey addresses the adequacy of the procedures and practices employed by the Assessor in the valuation of property, the volume of assessing work as measured by property type, and the performance of other duties enjoined upon the Assessor.

Pursuant to Revenue and Taxation Code² section 75.60, the BOE determines through the survey program whether a county assessment roll meets the standards for purposes of certifying the eligibility of the county to continue to recover costs associated with administering supplemental assessments. Such certification is obtained either by satisfactory statistical result from a sampling of the county's assessment roll or by a determination by the survey team – based on objective standards defined in regulation – that there are no significant assessment problems in the county.

This survey examined the assessment practices of the Tehama County Assessor's Office for the 2024-25 assessment roll. Since this survey did not include an assessment sample pursuant to Government Code section 15640(c), our review included an examination to determine whether "significant assessment problems" exist, as defined by Rule 371.

Our survey methodology of the Tehama County Assessor's Office included reviews of the Assessor's records, interviews with the Assessor and their staff, and contacts with officials in other public agencies in Tehama County who provided information relevant to the property tax assessment program.

For a detailed description of the scope of our review of county assessment practices, please refer to the BOE's website at <https://www.boe.ca.gov/proptaxes/assessment-practices-survey->

¹ Government Code section 15642.

² Unless otherwise stated, all statutory references are to the California Revenue and Taxation Code and all rule references are to sections of California Code of Regulations, Title 18, Public Revenues.

[division/scope.htm](#). Additionally, detailed descriptions of assessment practices survey topics, authoritative citations, and related information can be found at <https://www.boe.ca.gov/proptaxes/assessment-practices-survey-division/survey.htm>.

EXECUTIVE SUMMARY

This report offers recommendations to help the Assessor correct assessment problems identified by the survey team. The survey team makes recommendations when assessment practices in a given area are not in accordance with property tax law or generally accepted appraisal practices. An assessment practices survey is not a comprehensive audit of the Assessor's entire operation. The survey team does not examine internal fiscal controls or the internal management of an Assessor's office outside those areas related to assessment. In terms of current auditing practices, an assessment practices survey resembles a compliance audit – the survey team's primary objective is to determine whether assessments are being made in accordance with property tax law.

We examined the assessment practices of the Tehama County Assessor's Office for the 2024-25 assessment roll.

During our survey, we conducted reviews of the following areas:

- Administration

We reviewed the Assessor's administrative policies and procedures that affect both the real property and business property assessment programs. Specific areas reviewed include budget and staffing, workload, assessment appeals, and exemptions. In the area of administration, the Assessor is effectively managing assessment appeals and exemptions. However, we made a recommendation for improvement in the workload program.

- Assessment of Real Property

We reviewed the Assessor's program for assessing real property. Specific areas reviewed include properties having experienced a change in ownership, new construction assessments, declines in value, and certain properties subject to special assessment procedures, such as California Land Conservation Act (CLCA) property. In the area of real property assessment, the Assessor has effective programs for declines in value and CLCA property. However, we made recommendations for improvement in the change in ownership and new construction programs.

- Assessment of Personal Property and Fixtures

We reviewed the Assessor's program for assessing personal property and fixtures. Specific areas reviewed include conducting audits, processing business property statements, business equipment valuation, and manufactured home assessments. In the area of personal property and fixtures assessment, the Assessor has an effective program for processing business property statements. However, we made recommendations for improvement in the audit, business equipment valuation, and manufactured home programs.

Despite the recommendations noted in this report, we found most properties and property types are assessed correctly, and the overall quality of the assessment roll meets state standards.

We found no significant assessment problems as defined in Rule 371. Since Tehama County was not selected for assessment sampling pursuant to Government Code section 15643(b), this report does not include the assessment ratios that are generated for surveys that include assessment sampling. Accordingly, pursuant to section 75.60, Tehama County continues to be eligible for recovery of costs associated with administering supplemental assessments.

OVERVIEW OF TEHAMA COUNTY

Tehama County is located in northern California and was created in 1856. The county encompasses a total area of 2,962.17 square miles, consisting of 2,949.71 square miles of land area and 12.46 square miles of water area. Tehama County is bordered by Shasta County to the north, Plumas County to the east, Glenn and Butte Counties to the south, and Trinity and Mendocino Counties to the west.

As of 2023, Tehama County had an estimated population of 64,896. There are three incorporated cities in Tehama County, which include Corning, Red Bluff, and Tehama. The county seat is Red Bluff.

The Tehama County local assessment roll ranks 45th in value of the 58 county assessment rolls in California.³



³ Statistics provided by the BOE Open Data Portal dataset - [County Assessed Property Values, by Property Class and County \(Table 7\)](#), for year 2024-25.

FINDINGS AND RECOMMENDATIONS

As noted previously, our review concluded that the Tehama County assessment roll meets the requirements for assessment quality established by section 75.60. This report does not provide a detailed description of all areas reviewed; it addresses only the deficiencies discovered.

Following is a list of the formal recommendations contained in this report.

RECOMMENDATION 1:	Report statistics as requested by the BOE pursuant to section 407.	8
RECOMMENDATION 2:	Improve the LEOP program by: (1) reassessing all properties owned by a legal entity undergoing a change in control or ownership, and (2) properly applying penalties in accordance with section 482(b).	10
RECOMMENDATION 3:	Submit quarterly reports to the BOE pursuant to section 69.6(b)(6).	11
RECOMMENDATION 4:	Classify wells as land pursuant to Rule 124.	12
RECOMMENDATION 5:	Perform the minimum number of audits of professions, trades, and businesses pursuant to section 469.	13
RECOMMENDATION 6:	Enroll all escape assessments and over assessments discovered during an audit.	14
RECOMMENDATION 7:	Improve the business equipment valuation program by: (1) supporting any divergence from the Board-recommended use of the price indices and percent good factors published in Assessors' Handbook Section 581, <i>Equipment and Fixtures Index, Percent Good and Valuation Factors</i> (AH 581), with market evidence, and (2) applying the mobile agricultural equipment percent good factors prescribed in Table 6 of AH 581, as intended.	15
RECOMMENDATION 8:	Improve the manufactured home program by: (1) excluding site value from the reported purchase price of a manufactured home on rented or leased land when determining the current market value to be enrolled, and (2) periodically reviewing manufactured home assessments for declines in value.	16

ADMINISTRATION

Workload

Generally, the Assessor is responsible for annually determining the assessed value of all real property and business personal property in the county. In order to accomplish this task, the Assessor reviews recorded documents and building permits to discover assessable property. In addition, the Assessor will identify and value all business personal property (including machinery and equipment), process and apply tax exemption claims for property owned by qualifying religious and welfare organizations, and prepare assessment appeals for hearing before the local board of equalization.⁴

For most real property, the Assessor is required to annually enroll the lower of current market value or the factored base year value. Therefore, when any factor causes a decline in the market value of real property, the Assessor must review the assessment of the property to determine whether the decline has impacted the taxable value of the property for that year. In certain economic times, this decline may greatly impact the workload of the Assessor. Additionally, the number of assessment appeals may increase during this period.

RECOMMENDATION 1: Report statistics as requested by the BOE pursuant to section 407.

During the survey, we requested statistics from the Assessor for various topics, since the Assessor had not reported requested statistics to the BOE for the annual publication of *A Report on Budget, Personnel, and Appeals Data* for fiscal years 2019-20 and 2021-22 & *Roll Data* for years 2020-21 and 2022-23.

Section 407 provides that the Assessor shall transmit a statistical statement to the BOE annually, on the second Monday in July, supplying any statistical information that the BOE may require, and shall supply from time to time any other information required by the BOE.

By not reporting statistics to the BOE, the Assessor is not in compliance with current statute.

⁴ The scope of our review for the budget, staffing, and workload topic is provided on the BOE website at <https://boe.ca.gov/proptaxes/budget-staffing/>.

ASSESSMENT OF REAL PROPERTY

Change in Ownership

Section 60 defines change in ownership as a transfer of a present interest in real property, including the beneficial use thereof, the value of which is substantially equal to the value of the fee simple interest. Sections 61 through 69.6 further clarify what is considered a change in ownership and what is excluded from the definition of a change in ownership for property tax purposes. Section 50 requires the Assessor to enter a base year value on the roll for the lien date next succeeding the date of the change in ownership; a property's base year value is its fair market value on the date of the change in ownership.⁵

Legal Entity Ownership Program (LEOP)

Section 64 provides that certain transfers of ownership interests in a legal entity constitute a change in ownership of all real property owned by the entity and any entities under its ownership control. Rule 462.180 interprets and clarifies section 64, providing examples of transactions that either do or do not constitute a change in entity control and, hence, do or do not constitute a change in ownership of the real property owned by the entity. Discovery of these types of changes in ownership is difficult for Assessors because, ordinarily, there is no recorded document evidencing a transfer of an ownership interest in a legal entity.

Sections 480.1, 480.2, and 482 set forth the filing requirements and penalty provisions for reporting legal entity changes in control under section 64(c)(1) and changes in ownership under section 64(d). A change in ownership statement must be filed with the BOE within 90 days of the date of change in control or change in ownership; reporting is made on BOE-100-B, *Statement of Change in Control and Ownership of Legal Entities*. Section 482(b) requires the County Assessor to impose a penalty if a person or legal entity required to file a statement under sections 480.1 and 480.2 does not do so within 90 days from the earlier of (1) the date of change in control or ownership or (2) the date of written request by the BOE.

The BOE's LEOP section assists Assessors by gathering and disseminating information regarding changes in control and ownership of legal entities that hold an interest in California real property. LEOP transmits a monthly *Notice of Findings Report* to each County Assessor to report entities that experienced a change in control or ownership or if an exclusion applies. The report will also include a copy of each BOE-100-B with details on the transaction and the real property holdings. However, because the property affected is reported by the person or entity filing information with the BOE, LEOP advises Assessors to independently research each entity's property holdings to determine whether all affected parcels have been identified and properly reappraised as of the event date.

⁵ The scope of our review for the change in ownership topic is provided on the BOE website at <https://boe.ca.gov/proptaxes/change-in-ownership/>.

RECOMMENDATION 2: Improve the LEOP program by: (1) reassessing all properties owned by a legal entity undergoing a change in control or ownership, and (2) properly applying penalties in accordance with section 482(b).

Reassess all properties owned by a legal entity undergoing a change in control or ownership.

We found several properties owned by legal entities having undergone a change in control or ownership that had not been reassessed, even though the Assessor had been notified of the change in control or ownership by the BOE's LEOP Section.

Section 64(c)(1) provides that when a legal entity or any other person obtains control through direct or indirect ownership or control of more than 50 percent of the voting stock of any corporation, or obtains a majority ownership interest in any partnership, limited liability company, or other legal entity through the purchase or transfer of corporate stock, partnership, or limited liability company interest, the purchase or transfer of that stock or interest shall be a change in ownership of the real property owned by the legal entity in which the controlling interest was obtained.

By not reassessing properties owned by legal entities identified as having undergone a change in control or ownership, the Assessor may be enrolling incorrect assessments for those properties.

Properly apply penalties in accordance with section 482(b).

We found instances where penalties were not applied when an entity did not timely file a BOE-100-B, even though the Assessor had been notified by the BOE's LEOP Section that a penalty applied.

Section 482(b) states that if a legal entity required to file a statement described in sections 480.1 or 480.2 fails to do so within 90 days from the earlier of (1) the date of the change in control or the change in ownership of the legal entity, or (2) the date of a written request by the BOE, a specific penalty will be applied.

The BOE provides the Assessor with several reports, as well as copies of BOE-100-B filings, indicating whether a penalty applies. The Assessor should utilize these reports and the BOE-100-B filings to identify legal entities with late-filings, or failures to file, and apply the penalty accordingly.

By failing to apply the required penalty, the Assessor is not in compliance with statutory requirements.

Change in Ownership Exclusion – Transfer of Base Year Value

Section 69.5 generally allows persons 55 years of age or older, or who are severely and permanently disabled, to transfer the base year value of a principal residence to a replacement residence of equal or lesser value located within the same county. A county board of supervisors

may provide by ordinance that base year values may be transferred from properties located outside the county.

In general, a person may claim relief under section 69.5 only once during their lifetime. To prevent improper multiple claims for this relief, section 69.5 requires County Assessors to report to the BOE, on a quarterly basis, any approved claims.

The BOE uses the information received by Assessors to generate quarterly reports notifying Assessors of any improper multiple claims. With this information, Assessors are able to identify ineligible claims and, if necessary, take corrective action.

However, effective September 30, 2021, Senate Bill 539 (Stats. 2021, Ch. 427) added section 69.6, which generally allows any person 55 years of age or older, any severely and permanently disabled person, or a victim of wildfire or natural disaster who resides in property that is eligible for homeowners' exemption or the disabled veteran's exemption to transfer the base year value of a principal residence to a replacement residence on and after April 1, 2021 of any value located anywhere in California. There is no adjustment to transferred base year value if the replacement property is of equal or lesser value than the original property's market value, however, any amount above the equal or lesser value is added to the transferred value.

In general, a person may claim relief under section 69.6 three times during their lifetime. To prevent improper multiple claims for this relief, section 69.6 requires County Assessors to report to the BOE, on a quarterly basis, any approved claims.

The BOE uses the information received by Assessors to generate quarterly reports notifying Assessors of any improper multiple claims. With this information, Assessors are able to identify ineligible claims and, if necessary, take corrective action.

RECOMMENDATION 3: Submit quarterly reports to the BOE pursuant to section 69.6(b)(6).

The Assessor has not submitted to the BOE a quarterly report listing approved section 69.6 base year value transfers for several quarters during calendar years 2021 and 2022. In addition, the Assessor misreported approved section 69.6 base year value transfers for several quarters during calendar years 2022 and 2023.

Section 69.6(b)(6) provides that the Assessor shall report quarterly to the BOE a list of approved section 69.6 base year value transfers to prevent improper multiple claims for this relief. The Assessor's failure to provide information to the BOE involving base year value claims under section 69.6 may result in the duplication of the exclusion and the potential loss of tax revenue.

New Construction

Section 70 defines newly constructed property, or new construction, as (1) any addition to real property since the last lien date, or (2) any alteration of land or improvements since the last lien date that constitutes a major rehabilitation of the property or converts the property to a different use. Further, section 70 establishes that any rehabilitation, renovation, or modernization that converts an improvement to the substantial equivalent of a new improvement constitutes a major

rehabilitation of the improvement. Section 71 requires the Assessor to determine the full cash value of newly constructed real property on each lien date while construction is in progress and on its date of completion, and provides that the full cash value of completed new construction becomes the new base year value of the newly constructed property.⁶

RECOMMENDATION 4: Classify wells as land pursuant to Rule 124.

We found examples where the Assessor classified water wells as structural improvements.

Rule 124 requires that oil and water wells be classified as land. By not attributing value to the land for value added by the new construction of water wells, the Assessor is underassessing the land and over assessing the improvements, which may also result in incorrect special assessments.

⁶ The scope of our review for the new construction topic is provided on the BOE website at <https://boe.ca.gov/proptaxes/new-construction/>.

ASSESSMENT OF PERSONAL PROPERTY AND FIXTURES

Audit Program

County Assessors are required to conduct a significant number of annual audits as specified in section 469. The significant number of audits required was at least 75 percent of the fiscal year average of the total number of mandatory audits the Assessor was required to have conducted during the 2002–03 fiscal year to the 2005–06 fiscal year, with at least 50 percent of those to be selected from a pool of those taxpayers with the largest assessments.⁷ The Assessor has some discretion in the number of audits completed each fiscal year as long as the four-year total number of audits in each category are complete within a four-year period.

RECOMMENDATION 5: Perform the minimum number of audits of professions, trades, and businesses pursuant to section 469.

We found that the Assessor did not meet the minimum number of total audits required by section 469 for the four-year fiscal period beginning with the 2019-20 fiscal year and ending with the 2022-23 fiscal year. The Assessor completed a total of 29 audits, falling short of the required forty-four audits. The next four-year period began with the 2023-24 fiscal year and will end with the 2026-27 fiscal year. At this time, we are unable to determine whether the Assessor will meet the minimum number of audits required for the 2023-24 to 2026-27 four-year period.

For each four-year fiscal period, section 469 requires the Assessor to audit forty-four taxpayers, with twenty-two of those audits from the pool of largest business property assessments and twenty-two of the audits from the pool of all other business property owners.

By failing to conduct the minimum number of audits for the 2019-20 to 2022-23 four-year fiscal period, the Assessor was not in compliance with section 469 and risked the possibility of allowing taxable property to permanently escape assessment.

Audit Quality

An audit should follow a standard format, so that the auditor-appraiser may easily determine whether the property owner has correctly reported all taxable property. Audit narratives and summaries should include adequate documentation, full value calculations, reconciliation of the fixed assets totals to the general ledger and financial statements, review of asset invoices, reconciliation between reported and audit amounts, an analysis of expense accounts, and an analysis of depreciation and obsolescence factors that may affect the value of the business property.

⁷ The scope of our review for the audit program topic is provided on the BOE website at <https://boe.ca.gov/proptaxes/audit-program/>.

RECOMMENDATION 6: Enroll all escape assessments and over assessments discovered during an audit.

We found examples where the Assessor did not enroll escape assessments or over assessments discovered during an audit that the Assessor deemed to be of immaterial or low-value, even though the Assessor does not have a low-value ordinance in place for escape assessments.

Section 531.9 allows a county board of supervisors to adopt an ordinance to prohibit the Assessor from making an escape assessment of an appraisal unit where the assessment would result in an amount of taxes due which is less than the cost of assessing and collecting the tax; however, Tehama County does not have such an ordinance in place.

Section 531 specifically states, "If any property belonging on the local roll has escaped assessment, the Assessor shall assess the property on discovery at its value on the lien date for the year for which it escaped assessment." Furthermore, section 469 provides that if the result of an audit discloses property subject to an escape assessment, the assessee is entitled to appeal the assessment of all property at the location of the trade, profession, or business.

Additionally, section 469(d)(4) states, "If the audit for any particular tax year discloses that the property of the taxpayer was incorrectly valued or misclassified for any cause, to the extent that this error caused the property to be assessed at a higher value than the Assessor would have entered on the roll had the incorrect valuation or misclassification not occurred, then the Assessor shall notify the taxpayer of the amount of the excess valuation or misclassification, and the fact that a claim for cancellation or refund may be filed with the county as provided in Sections 4986 and 5096."

The Assessor's failure to enroll escape assessments makes it difficult for the assessee to exercise their right to file an appeal. The current arbitrary minimum audit enrollment policy conflicts with the Assessor's obligation to assess all property subject to taxation.

Business Equipment Valuation

Assessors value most machinery and equipment using business property valuation factors. Some valuation factors are derived by combining price index factors with percent good factors, while other valuation factors result from valuation studies. Under this methodology, value for taxation purposes is established by multiplying a property's historical cost by an appropriate valuation factor.⁸

⁸ The scope of our review for the business equipment valuation topic is provided on the BOE website at <https://boe.ca.gov/proptaxes/business-equipment-valuation/>.

RECOMMENDATION 7: Improve the business equipment valuation program by: (1) supporting any divergence from the Board-recommended use of the price indices and percent good factors published in Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors* (AH 581), with market evidence, and (2) applying the mobile agricultural equipment percent good factors prescribed in Table 6 of AH 581, as intended.

Support any divergence from the Board-recommended use of the price indices and percent good factors published in AH 581, with market evidence.

We found a number of factor compilation errors in the Assessor's 2024-25 business equipment valuation tables resulting from the misapplication of Board-prescribed indices. The Assessor's business equipment valuation tables do not adhere to the Board-recommended 125 percent maximum price index factor, as delineated in AH 581.

The price index and percent good factors published in AH 581 are intended for use in mass appraisal and are generally reliable and practical for converting historical cost to estimates of reproduction cost. Index factors are developed to recognize both price changes and technological progress and are intended to reflect the price of a new replacement. The percent good factors are supported by the premise that business equipment loses value with both use and age and are intended to reflect the average loss in value suffered by specific types of properties over their expected service lives.

The Board-prescribed factors published in AH 581 are based upon specific market behavior and are intended to facilitate the derivation of current market value estimates in mass appraisal applications. Any deviation from these recommended factors must be supported by documented market evidence to substantiate that a more accurate value indicator would result.

To account for normal technological change over time, the BOE recommends that Assessors use a maximum equipment index factor when valuing equipment. The recommended maximum index factor is the factor for an equipment age equal to 125 percent of the estimated average service life of the equipment. Using a recommended maximum index factor, combined with percent good factors, not only accounts for the normal effects of technological change in value, but also contributes to the correct calculation of the composite minimum value factors.

The Assessor's improper application of Board-prescribed factors reduces their effectiveness as a mass valuation estimate tool and increases the chance of inaccurate value conclusions. A further consequence of using unsupported valuation tables is the increased likelihood of disparate enrolled valuations when comparing similar property enrollments in other counties.

Apply the mobile agricultural equipment percent good factors prescribed in Table 6 of AH 581, as intended.

We found instances where the Assessor applied mobile agricultural equipment percent good factor tables to other non-mobile related personal property.

The Board-prescribed percent good factors published in Table 6 of AH 581 are intended for the valuation of self-propelled machinery and related implements. Therefore, when the Assessor applies the percent good factor tables to other non-mobile agricultural equipment, including bins, air compressors, irrigation pipe, portable pumps, welders, and generators, the resulting value conclusion will likely be inaccurate. The mobile equipment percent good factors indicated in AH 581 are based upon an exclusive set of market parameters.

Improper application of the percent good factors found within Table 6 may lead to inaccurate value conclusions.

Manufactured Homes

A "manufactured home" is defined in Health and Safety Code section 18007, and statutes prescribing the method of assessing manufactured homes are contained in sections 5800 through 5842. A manufactured home is subject to local property taxation if sold new on or after July 1, 1980, or if its owner requests conversion from the vehicle license fee to local property taxation. Manufactured homes should be classified as personal property and enrolled on the secured roll.⁹

RECOMMENDATION 8: Improve the manufactured home program by:
(1) excluding site value from the reported purchase price of a manufactured home on rented or leased land when determining the current market value to be enrolled, and (2) periodically reviewing manufactured home assessments for declines in value.

Exclude site value from the reported purchase price of a manufactured home on rented or leased land when determining the current market value to be enrolled.

We found examples where the Assessor valued a manufactured home on rented or leased land by enrolling the California Department of Housing and Community Development (HCD) reported purchase price, without making an adjustment to exclude any site value that may be included in that purchase price.

Section 5803(b) provides that since owners of manufactured homes on rented or leased land do not own the land on which the manufactured home is located and are subject to having the manufactured home removed upon termination of tenancy, "full cash value" does not include any value attributable to the particular site where the manufactured home is located on rented or leased land, which would make the sale price of the manufactured home at that location different from its sale price at another location on rented or leased land.

Assessors' Handbook Section 531.35A, *Residential Building Costs Information, Manufactured Housing*, recommends using the replacement cost approach, which uses an indicator of value from a recognized value guide, plus the value of all manufactured home accessories, buildings, and structures, provides the best indication of value excluding site influence.

⁹ The scope of our review for the manufactured homes topic is provided on the BOE website at <https://boe.ca.gov/proptaxes/manufactured-homes/>.

By enrolling the HCD reported purchase price of a manufactured home on rented or leased land, the Assessor may be enrolling incorrect assessments for those properties.

Periodically review manufactured home assessments for declines in value.

We found the Assessor does not have a program in place to discover declines in value of manufactured homes. When a change in ownership occurs for manufactured homes in mobile home parks, the Assessor enrolls the HCD reported purchase price as personal property on the secured roll. The enrolled value then remains stagnant on the roll. No inflation factor is applied to the base year value for subsequent years, and the manufactured home is not reviewed for a potential decline in value.

Section 5813 provides that the taxable value of a manufactured home shall be the lesser of its factored base year value or its full cash value as of the lien date, considering reductions in value due to damage, destruction, depreciation, obsolescence, or other factors causing a decline in value. Periodic review of manufactured homes ensures declines in value are recognized and properties are properly valued.

By initially enrolling the base year value and letting the value remain stagnant on the roll, in which case it is neither the factored base year value nor the current market value of the manufactured home, the Assessor is not in compliance with statute and may be enrolling incorrect assessments for the lien date.

APPENDIX A: STATISTICAL DATA

Table 1: Assessment Roll

The following table displays pertinent information from the 2024-25 assessment roll.¹⁰

	PROPERTY TYPE	ENROLLED VALUE
Secured Roll	Land	\$2,419,665,907
	Improvements	\$4,791,817,150
	Fixtures	\$137,317,721
	Personal Property	\$295,217,080
	Total Secured	\$7,644,017,858
Unsecured Roll	Land	\$5,589,746
	Improvements	\$70,300,098
	Fixtures	\$102,216,368
	Personal Property	\$319,431,201
	Total Unsecured	\$497,537,413
Exemptions¹¹		(\$255,826,364)
	Total Assessment Roll	\$7,885,728,907

Table 2: Change in Assessed Values

The following table summarizes the change in assessed values over recent years:¹²

ROLL YEAR	TOTAL ROLL VALUE	CHANGE	STATEWIDE CHANGE
2024-25	\$7,885,729,000	3.9 %	5.1 %
2023-24	\$7,590,560,000	5.7 %	6.7 %
2022-23	\$7,180,753,000	7.2 %	7.5 %
2021-22	\$6,696,095,000	5.3 %	4.1 %
2020-21	\$6,359,465,000	6.1 %	5.7 %

¹⁰ Statistics provided by BOE-822, *Report of Assessed Values by City, County 52 Tehama*, for year 2024.

¹¹ The value of the Homeowners' Exemption is excluded from the exemptions total.

¹² Statistics provided by the BOE Open Data Portal dataset - [County Assessed Property Values, by Property Class and County \(Table 7\)](#).

Table 3: Gross Budget and Staffing

The Assessor's budget has grown from \$1,432,470 in fiscal year 2019-20 to \$1,742,544 in fiscal year 2023-24.

For fiscal year 2023-24, the Assessor had 19 budgeted permanent positions. This included the Assessor, Assistant Assessor, 1 other manager, 6 real property appraisers, 1 business property auditor appraiser, and 9 support staff.¹³

The following table identifies the Assessor's budget and staffing over recent fiscal years:¹⁴

FISCAL YEAR	GROSS BUDGET	PERCENT CHANGE	PERMANENT STAFF
2023-24	\$1,742,544	1.0%	19
2022-23	\$1,725,564	4.4%	18
2021-22	\$1,652,336	4.6%	18
2020-21	\$1,579,962	10.3%	18
2019-20	\$1,432,470	-	18

Table 4: Assessment Appeals

The following table shows the number of assessment appeals filed in recent fiscal years:¹⁵

FISCAL YEAR	ASSESSMENT APPEALS FILED
2023-24	40
2022-23	82
2021-22	23
2020-21	61
2019-20	25

¹³ Statistics provided by the BOE Open Data Portal dataset – [Budgeted Permanent Positions](#).

¹⁴ Statistics provided by the Assessor and the BOE Open Data Portal datasets – [Gross and Net Budget](#) and [Budgeted Permanent Positions](#). Data not provided or available is represented by a dash (-).

¹⁵ Statistics provided by the Assessor and the BOE Open Data Portal dataset – [Distribution of Assessment Appeals by Property Types](#).

Table 5: Exemptions – Welfare

The following table shows welfare exemption data for recent roll years:¹⁶

ROLL YEAR	WELFARE EXEMPTIONS	EXEMPTED VALUE
2024-25	78	\$168,054,928
2023-24	67	\$157,552,066
2022-23	76	\$148,337,005
2021-22	73	\$148,686,190
2020-21	71	\$148,743,268

Table 6: Change in Ownership

The following table shows the total number of transfer documents received and the total number of reappraisable transfers due to changes in ownership processed in recent roll years:¹⁷

ROLL YEAR	TOTAL TRANSFER DOCUMENTS RECEIVED	REAPPRAISABLE TRANSFERS
2024-25	7,822	3,480
2023-24	12,960	2,348
2022-23	14,494	2,747
2021-22	21,654	2,136
2020-21	20,514	2,511

¹⁶ Statistics provided by BOE-802, *Report on Exemptions*.

¹⁷ Statistics provided by the Assessor and the BOE Open Data Portal dataset – [Real Property Workload Data, Transfers](#).

Table 7: New Construction

The following table shows the total number of building permits received and the total number of new construction assessments processed in recent roll years:¹⁸

ROLL YEAR	TOTAL BUILDING PERMITS RECEIVED	NEW CONSTRUCTION ASSESSMENTS
2024-25	3,248	595
2023-24	3,898	1,209
2022-23	4,257	482
2021-22	2,109	834
2020-21	3,222	612

Table 8: Declines In Value

The following table shows the total number of decline-in-value assessments in recent roll years:¹⁹

ROLL YEAR	DECLINE-IN-VALUE ASSESSMENTS
2024-25	3,434
2023-24	3,388
2022-23	3,630
2021-22	4,308
2020-21	5,202

¹⁸ Statistics provided by the Assessor and the BOE Open Data Portal dataset – [Real Property Workload Data, New Construction](#).

¹⁹ Statistics provided by the Assessor and the BOE Open Data Portal dataset – [Real Property Workload Data, Proposition 8](#).

Table 9: Audits

The following table shows the total number of audits completed in recent fiscal years.²⁰

NUMBER OF AUDITS COMPLETED			
FISCAL YEAR	LARGEST ASSESSMENTS	ALL OTHER TAXPAYERS	TOTAL²¹
2023-24	0	0	0
2022-23	0	0	0
2021-22	4	8	12
2020-21	7	10	17
2019-20	3	8	11

²⁰ Statistics provided by the Assessor and BOE Open Data Portal dataset – [Business Property Workload Data, Audits](#).

²¹ Fiscal year totals do not include the audits prepared for other Assessors.

**APPENDIX B: ASSESSMENT PRACTICES SURVEY
DIVISION / PROPERTY TAX DEPARTMENT
SURVEY GROUP**

Tehama County

Chief

Holly Cooper

Survey Program Director:

Gary Coates

Principal Property Appraiser

Survey Team Supervisor:

Alexander B. Fries

Supervising Property Appraiser

Survey Team:

Artemis Oestreich

Senior Specialist Property Appraiser

Kat Santora

Senior Specialist Property Appraiser

Lydia Vannarattannarat

Associate Property Auditor Appraiser

Patience Bautista

Associate Property Appraiser

Nicole Grady

Associate Property Appraiser

Virginia Casarez

Assistant Property Appraiser

Troy Holt

Assistant Property Appraiser

Gregory Dela Cruz

Analyst II

APPENDIX C: RELEVANT STATUTES AND REGULATIONS

Reference	Description
<i>Government Code</i>	
§15640	Survey by board of county assessment procedures.
§15641	Audit of records, appraisal data not public.
§15642	Research by board employees.
§15643	When surveys to be made.
§15644	Recommendations by board.
§15645	Survey report, final survey report, Assessor's report.
§15646	Copies of final survey reports to be filed with local officials.
<i>Revenue and Taxation Code</i>	
§75.60	Allocation for administration.
<i>Title 18, California Code of Regulations</i>	
Rule 371	Significant assessment problems.

ASSESSOR'S RESPONSE TO BOE'S FINDINGS

Section 15645 of the Government Code provides that the Assessor may file with the Board a response to the findings and recommendations in the survey report. The survey report, the Assessor's response, and the BOE's comments regarding the Assessor's response, if any, constitute the final survey report.

The Tehama County Assessor's response begins on the next page. The BOE has no comments regarding the response.

Burley Phillips

ASSESSOR

Office of County Assessor

COUNTY OF TEHAMA

PO BOX 428, RED BLUFF, CALIFORNIA 96080

TELEPHONE (530) 527-5931

FAX (530) 529-4019

Attn: Mr. David Yeung

December 19, 2025

Property Tax Department
State Board of Equalization
P.O. Box 94879
Sacramento, CA. 94279-0064

Dear Mr. Yeung,

Enclosed please find our response to the State Board of Equalization's Assessment Practice Survey recommendations. This response is submitted pursuant to Government Code section 15645 for inclusion in the final published report.

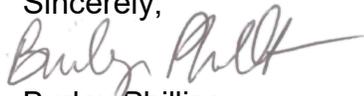
The survey concludes that the assessment roll meets state standards and that our office remains eligible to recover costs related to supplemental assessments, validating my team's dedication to maintaining an accurate assessment roll.

During the survey period, our office faced significant impacts from retirements of long-tenured staff and challenges in recruiting an Auditor-Appraiser, which contributed to many of the recommendations; nevertheless, the office concurs with the majority of recommendations and has implemented policies and procedures to address them going forward, including the most recent hiring of an Auditor-Appraiser. While we disagree or partially disagree with a couple of recommendations, we value all productive feedback to improve our practices and procedures.

I would like to acknowledge the State Board of Equalization's onsite and remote team members for their cooperation, professionalism, and efforts to provide constructive feedback during the review. This set the tone for a productive survey.

Most importantly, I want to express gratitude to my staff for their hard work and dedication despite the challenges we have faced over the past couple of years. Their commitment to serving our community is truly exceptional.

Sincerely,



Burley Phillips

Tehama County Assessor

Tehama County Assessment Practice Survey Recommendations and Responses:

RECOMMENDATION 1: Report statistics as requested by the BOE pursuant to section 407.

Response: We concur with this recommendation and have updated our procedures to ensure compliance.

RECOMMENDATION 2: Improve the LEOP program by: (1) reassessing all properties owned by a legal entity undergoing a change in control or ownership, and (2) properly applying penalties in accordance with section 482(b).

Response: We concur with both parts of this recommendation and have updated our procedures to ensure compliance.

RECOMMENDATION 3: Submit quarterly reports to the BOE pursuant to section 69.6(b)(6).

Response: We concur with this recommendation and have updated our procedures to ensure compliance.

RECOMMENDATION 4: Classify wells as land pursuant to Rule 124.

Response: We believe this allocation does not cause over or under assessment in the appraisal unit, making the overall value impact not material. Our software recently introduced a base-year tracking module, which may allow us to adjust current practices and better align with this recommendation.

RECOMMENDATION 5: Perform the minimum number of audits of professions, trades, and businesses pursuant to section 469.

Response: We concur. Like many counties, our ability to complete this recommendation during the survey period was limited by difficulties in hiring an Auditor-Appraiser and the temporary unavailability of CCCASE due to the pandemic. Although some audits were completed in the survey period, with our recent hire and the restoration of CCCASE, we plan to complete the required number of business property audits moving forward.

RECOMMENDATION 6: Enroll all escape assessments and over assessments discovered during an audit.

Response: We concur with this recommendation and have updated our procedures to ensure compliance.

RECOMMENDATION 7: Improve the business equipment valuation program by: (1) supporting any divergence from the Board-recommended use of the price indices and percent good factors published in Assessors' Handbook Section 581, *Equipment and Fixtures Index, Percent Good and Valuation Factors* (AH 581), with market evidence, and (2) applying the mobile agricultural equipment percent good factors prescribed in Table 6 of AH 581, as intended.

Response: We concur with both parts of this recommendation and have updated our procedures for compliance. We are working with current Auditor staff to ensure proper implementation.

RECOMMENDATION 8: Improve the manufactured home program by: (1) excluding site value from the reported purchase price of a manufactured home on rented or leased land when determining the current market value to be enrolled, and (2) periodically reviewing manufactured home assessments for declines in value

Response (1): We concur that any attributable site value should be excluded from the reported purchase price. Our property tax software's manufactured home module may help streamline current practices and better align with using the cost approach as the primary valuation method, consistent with this recommendation.

Response (2): We concur with the second part of this recommendation. However, values depend heavily on physical condition, age, make, model, and other characteristics, requiring annual field inspections. Reviewing all mobile homes in the county is cost-prohibitive given budget constraints.