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October 27, 1978

No. 78/190

TO COUNTY ASSESSORS:

**MISCELLANEOUS ITEMS**

Here is another in the series of letters concerning implementation of Article XIII A of the Constitution. The enclosed questions and answers deal with a variety of topics about which we have received numerous inquiries.

Question 3 supersedes the information regarding Section 532.3 of the Revenue and Taxation Code contained in assessors' letter number 78/114.

Please refer any inquiries or additional questions to John McCoy of this division.

Sincerely,

Verne Walton, Chief  
Assessment Standards Division

VW:sk  
Enclosure

## A. MISCELLANEOUS QUESTIONS & ANSWERS

1. QUESTION: Upon the death of an owner, is the property subject to reappraisal when the deed is ultimately recorded in the heir's name?

ANSWER: No. The date of death is established as the date for revaluation purposes. Title to property acquired under a will comes from the will itself and not from its admission to probate or from the decree distribution.

NOTE: Interspousal transfers and deaths which terminate joint tenancy interests are excluded from the reappraisal requirement and therefore not covered by the above question and answer.

2. QUESTION: In the case of a newly constructed property, must I base my appraisal on the actual construction costs?

ANSWER: No. The property should be reappraised at its market value as of its date of completion. Market value continues to be defined as the amount of cash or its equivalent which a property would bring if exposed for sale in the open market. The law does not provide for taxing property in proportion to its construction cost. The property should be appraised correlating data from any and all approaches to value. The land, of course, would be appraised as of its acquisition date; it would not be subject to revaluation upon completion of the newly constructed improvement(s).

3. QUESTION: If I did not complete my review of 1975 base year values for the 1978 roll, how long do I have to complete the task?

ANSWER: The Legislature indicated in both SB 154 and SB 2212 that "such reappraisals may be made at any time."

4. QUESTION: Section 4843, which facilitates roll corrections, was added to the Revenue and Taxation Code with the passage of SB 1571. Does it cover corrections involving value judgments?

ANSWER: This section allows the assessor to make corrections to the 1978-79 assessment roll throughout the current fiscal year. Since there was already a correction section in existence which allowed for the correction of errors not involving appraisal judgment anytime within four years of the erroneous assessment, and in view of the legislators' knowledge that the assessors could not prepare Proposition 13 values for all their properties prior to August 21, it appears logical to conclude that this section was enacted to enable them additional time to correct errors involving clerical mistakes as well as appraisal judgment. It is equally logical that the assessor is to treat these reassessments as corrections rather than escapes so that interest and penalties do not apply.

5. QUESTION: If I alter assessments under 4843, what are the appeal procedures available to the taxpayer?

ANSWER: Section 4836 of the Revenue and Taxation Code requires that an assessee be notified of any correction to the assessment on his property and that an opportunity be provided to appeal the assessment. The statute does not mention deadlines for filing an application for equalization but only provides for hearing after five days' notice. Since the correction will result in an assessment made outside the normal period, the assessee should be notified that he has the 60-day appeal period provided by Section 1605.