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July 9, 1987

Honorable L. W. Daniels
 Placer County Assessor
 145 Fulweiler Avenue
 Auburn, CA 95603-4595

Dear Lee:

This responds to your letter of June 22, 1987, requesting advice regarding the effect of a court order terminating a 55-year lease.

According to the information furnished, the plaintiffs entered into a 55-year lease to the defendants of certain premises located in Placer County. The term of the lease commenced October 30, 1981. On November 24, 1986, the plaintiff lessors were granted an order by the Placer County Superior Court terminating the lease and granting a Writ of Possession to the plaintiffs. The court's order indicates that it is in the nature of a partial judgment granting specific performance of an oral stipulation made in open court on November 17, 1986, that a partial judgment be entered to award possession of the real property to plaintiffs and that the lease be terminated. The language used in the order indicates that it is intended to terminate the lease as of the date of the order. Nothing in the order indicates any intent to declare the lease void from its inception.

We agree with your conclusion that the termination of the lease results in a change in ownership of the subject property. This conclusion is fully supported by Revenue and Taxation Code section 61(c) and Property Tax Rule 462(f)(1)(A)(iii). I find nothing in the order of the Superior Court which is inconsistent with that conclusion or which supports the request by the property owner to have the base year value rolled back to what it was prior to the lease. Accordingly, it is our opinion that the property should be reappraised as of the date the court terminated the lease.

Very truly yours,

Richard H. Ochsner
 Assistant Chief Counsel

RHO:cb

cc: Mr. Gordon P. Adelman
 Mr. Robert H. Gustafson
 Mr. Verne Walton