



October 7, 1982

Honorable Carl s. Rush
Contra Costa county Assessor
834 Court Street
Martinez, CA 94553

Attn: Mr. John Blasotti

Dear John:

In your letter dated September 21, 1982, you stated that because of current real estate conditions, some individual units with a stock cooperative (Rossmoor) have lower market values than their base year values established one or two years ago. You asked if the decline in value of the individual units could be recognized if the total base year value for the stock cooperative is less than the current lien date full value for the entire cooperative.

The value of the individual units should be reduced to reflect current lien date full value if that value is less than the factored base year value for a given unit. Subsection (h) of Section 61 defines as a change in ownership:

(h) The transfer of stock of a cooperative housing corporation, as defined in Section 17265, vested with legal title to real property which conveys to the transferee the exclusive right to occupancy and possession of such property, or portion thereof.

The change in ownership of such property requires a reappraisal and the establishment of a base year value for that unit. Section 51 states that, annually, the value shall be the lesser of (1) the base year value factored or (2) the full cash value allowing for declines in value. However, an increase in land value could offset a decrease in improvement value or vice versa pursuant to Section 51 (e); again, this would apply to the land and improvement value allocable to the specific unit.

Even though you are not separately assessing and billing the individual units pursuant to Section 2188.7, Section 61(h) defines the unit subject to valuation. Should the owners' request separate valuation under Section 2188.7, each unit would then receive a separate tax bill.

In light of all these sections we believe the indication is that the "property" to be valued is the unit in the cooperative that is represented by the stock and the right to occupancy running with it.

I hope this information meets your needs. If you have further questions, please feel free to contact us.

Sincerely,

Verna Walton, Chief
Assessment Standards Division

VW:pm

bc: Mr. Glenn Rigby
Mr. Gene Palmer (preparer)