



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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August 1, 1989

CINDY RAMBO
Executive Director

No. 89/58

TO COUNTY ASSESSORS:

ASSESSMENT OF PERSONAL PROPERTY IN RESIDENTIAL FACILITIES

Section 1566 of the Health and Safety Code declares the policy of the Legislature to encourage the development of needed residential care facilities and deals with local regulation thereof.

Section 1566.2, a part of Article 7 (starting with Section 1566) provides:

"A residential facility, which serves six or fewer persons shall not be subject to any business taxes, local registration fees, use permit fees, or other fees to which other family dwellings of the same type in the same zone are not likewise subject. Nothing in this section shall be construed to forbid the imposition of local property taxes, fees for water service and garbage collection, fees for inspections not prohibited by Section 1566.3, local bond assessments, and other fees, charges, and assessments to which other family dwellings of the same type in the same zone are likewise subject. Neither the State Fire Marshall nor any local public entity shall charge any fee for enforcing fire inspection regulations pursuant to State law or regulation or local ordinance, with respect to residential facilities which serve six or fewer persons."

For the purposes of this section, "family dwellings," includes, but is not limited to, single-family dwellings, units in multi-family dwellings, including units in duplexes and units in apartment dwellings, mobilehomes, including mobilehomes located in mobilehome parks, units in cooperatives, units in condominiums, units in townhouses, and units in planned unit developments.

TO COUNTY ASSESSORS

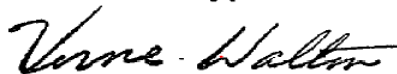
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Recently, we became aware that while real property assessments of these facilities are routinely enrolled, some county assessors are exempting the personal property as household furnishings under Section 224 of the Revenue and Taxation Code.

Ad valorem taxes are imposed upon both real and personal property pursuant to the same provisions of the California Constitution and the Revenue and Taxation Code. As noted above, Section 1566.2 reads, "Nothing in this Section shall be construed to forbid the imposition of local property taxes." Therefore, while the personal possessions of the tenants are exempt under Section 224, the personal property of the owner or operator of the facility should be reported and assessed in the same manner as other business organizations in the state.

If you have any questions, please contact the Exemption Unit at (916)445-4982.

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:wpc
AL-28-0072E