

Name: \_\_\_\_\_

County: \_\_\_\_\_

OVERVIEW OF CALIFORNIA PROPERTY TAX  
SELF-STUDY TRAINING SESSION

REVIEW QUESTIONS

1. Prior to 1912, California derived up to 70 percent of its revenue from sales tax.  
 True  
 False
2. The only property tax directly levied, collected, and retained by the state has been the tax on privately owned railroad cars.  
 True  
 False
3. Which of the following are California's current principal revenue sources? [Mark all that apply.]  
 Bank and corporation taxes  
 Sales and use taxes  
 State disability insurance taxes  
 Personal income taxes  
 All of the above
4. The State Board of Equalization (BOE) administers the personal income and bank and corporation taxes.  
 True  
 False
5. Approved in 1978, Proposition 13 limited future property tax increases. This ensures that properties are only reassessed to current market value only upon a change in ownership or completion of new construction (called the \_\_\_\_\_ value).
6. Under Proposition 13, similar properties can have substantially different assessed values based solely on the dates the properties were purchased.  
 True  
 False

7. Originally, the role of the BOE was to regulate county assessment practices, equalize county assessment ratios, and assess properties of utility companies.
- True
- False
8. The BOE has a vested interest in the valuation of property by virtue of its constitutional responsibility to promote uniformity in property assessments throughout the state.
- True
- False
9. The BOE's property tax functions are administered by one division, the County-Assessed Properties Division.
- True
- False
10. The County-Assessed Properties Division is responsible for both establishing policies and standards for proper assessment practices statewide and measuring statewide compliance and uniformity in county assessment procedures and practices. Which of the following is *not* an activity for which these accomplishments are achieved?
- Property Tax Rules
- Legal Entity Ownership Program
- Letters to County Assessors
- Assessment Practices Surveys
- Property Tax Exemptions
- None of the above
11. After BOE staff conducts an audit of the assessor's procedures and practices, they publish an assessment practices survey report that summarizes the findings and includes recommendations for improvement.
- True
- False
12. The county assessor prevents multiple claims for the Homeowners' Property Tax Exemption by acting as a statewide clearinghouse.
- True
- False

13. The Legal Entity Ownership Program discovers both changes in ownership and changes in control of legal entities and is a cooperative effort between which two state agencies?
- Board of Equalization and California Assessors' Association
  - Board of Equalization and State Controller
  - Board of Equalization and Franchise Tax Board
  - None of the above
14. The BOE monitors claims for relief under which of the following Propositions? [Mark all that apply.]
- Proposition 58
  - Proposition 3
  - Proposition 60
  - Proposition 193
  - Proposition 90
  - All of the above
15. The United States Constitution requires the BOE to annually assess property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, car companies operating on railways in the state, and companies transmitting or selling gas or electricity.
- True
  - False
16. State-assessed property is not subject to the provisions of Proposition 13 and is assessed at its fair market value, or its full value, as of 12:01 a.m. each January 1.
- True
  - False
17. The Taxpayers' Rights Advocate Office is responsible for implementing the which of the following?
- Tax-Rate Mapping Program
  - Property Tax Rules
  - Property Taxpayers' Bill of Rights
  - Letters To Assessors
  - All of the above
18. The county assessor's tasks are governed by individual county government.
- True
  - False

19. The assessor's primary responsibility is to annually determine the proper taxable value for each property so the owner is assured of paying the correct amount of property tax for the support of local government.
- True
- False
20. The collection of taxes and their allocation to the appropriate taxing jurisdictions are functions of the county \_\_\_\_\_ and the county \_\_\_\_\_.
21. Property is defined as all matters and things—real, personal, and mixed—that a private party can own.
- True
- False
22. Real property is defined as which of the following? [Mark all that apply.]
- Mines, minerals, and quarries in the land
- Felled timber
- Improvements
- Land
- All of the above
23. Personal property is defined as all property except real property and can only be tangible.
- True
- False
24. Private interests in publicly owned lands are known as \_\_\_\_\_.
25. Which of the following properties are not affected by Proposition 13? [Mark all that apply.]
- Railroads assessed by the BOE
- Utilities assessed by the BOE
- Personal property assessed by county assessors
- Properties assessed by the BOE
- Taxable possessory interests assessed by county assessors
- All of the above
26. The Legislature has unlimited authority to provide for exemption of any kind of personal and real property.
- True
- False

27. All forms of intangible personal property are exempt. Which of the following is *not* an example of intangible personal property?
- Cash
  - Stock certificates
  - Bank accounts
  - Household furniture
28. The business inventory exemption includes merchandise held for sale or lease, animals used in the production of food or fiber, and all other supplies.
- True
  - False
29. A county board of supervisors may authorize the exemption of property with a full value so low that the total taxes, special assessments, and applicable subventions would amount to less than the cost of assessing and collecting them. The maximum value threshold is \$10,000 or less for all property types.
- True
  - False
30. Which of the following exemptions that requires annual filing.
- Homeowners' Exemption
  - Low-Value Property Tax Exemption
  - Church Exemption
  - Welfare Exemption
  - Disabled Veterans' Exemption (\$100,000)
  - Disabled Veterans' Exemption (\$150,000)
31. Which of the following types of property can be either fully or partially exempt? [Mark all that apply.]
- Aerospace museum personalty
  - Orchard trees after the first four years
  - Burial plots
  - Date palms over eight years of age
  - Large vessels and low-value boats
  - Grapevines after the first three years
  - Harvested timber
  - Historical aircraft

32. New construction may be excluded from reassessment if it consists of modifying an existing structure to make the structure more accessible to a physically disabled person. Claims for this exclusion must be filed with the BOE.
- True
- False
33. The taxable value of property may be transferred to a comparable replacement property if the person acquiring the real property has been displaced from property by which of the following events? [Mark all that apply.]
- Acquisition by a public entity
- Eminent domain proceedings
- Governmental action that resulted in a judgment of inverse condemnation
- All of the above
34. People over the age of 55 or who are severely and permanently disabled may transfer the taxable value of their principal residence to a replacement property if certain qualifications are met. This tax relief is available only once in a lifetime with no exceptions.
- True
- False
35. Transfers from children to parents and from grandchildren to grandparents, under certain circumstances, may be excluded from reassessment.
- True
- False
36. The construction or addition of any active solar system is excluded as new construction and, therefore, is not subject to property taxation until the property changes ownership.
- True
- False
37. If a parcel of real property spans more than one revenue district, the portion lying within each district is taxable in that district.
- True
- False
38. Tangible personal property is taxable in the county where the owner of the property lives.
- True
- False
39. Private aircraft are taxed in the county where the owner of the aircraft resides.
- True
- False

40. For changes in ownership or completion of new construction, an increase in assessment will result in a supplemental tax bill. A decrease in assessment will result in a refund.
- True
- False

41. Which of the following is **not** a reason the assessor may change the assessed value of a property?
- Correct an error
- Enroll an escaped assessment
- The owner files an appeal
- Recognize a decrease in value

42. Personal property is reassessed annually; however, the assessor is only required to notify the taxpayer of increases in real property, not personal property.
- True
- False

43. Appeals for locally assessed real property must be made through the local county assessor.
- True
- False

44. Mark T for true or F for false next to each statement regarding the appeals process.

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|  | An <i>Assessment Appeal Application</i> must be filed with the clerk of the board of supervisors or assessment appeals board.                       |
|  | For disaster relief appeals, a claim must be filed within one year of the reassessment notice.  |
|  | The regular assessment filing period is July 2 through November 30 in all counties.   |
|  | Assessments made outside the regular assessment period must be appealed within 60 days after the date the notice of change in assessment is mailed. |
|  | A taxpayer's first step in challenging an assessment should be to discuss the matter informally with the assessor's staff.                          |

45. If the county board denies an appeal, the taxpayer may file an action in superior court, but only under certain circumstances. Which of the following is a reason the superior court will hear a case. [Mark all that apply.]
- Arbitrariness on the part of the appeals board
- Abuse of discretion by the appeals board
- To review new evidence of value
- Contention that an erroneous method of valuation was used by the appeals board
- Lack of due process
- All of the above

46. The county tax auditor is responsible for preparing property tax bills.
- True
- False
47. Bills for the regular secured assessment roll are mailed by November 1 and are due in two equal installments. The first installment is due November 1 and becomes delinquent December 10. The second installment is due on February 1 and becomes delinquent April 10.
- True
- False
48. Which of the following is *not* a ramification if taxes are not paid by the delinquent date?  
[Mark all that apply.]
- Property may be declared tax-defaulted if remain unpaid
- Property may be sold at public auction
- There is a 5 percent penalty
- Property may be acquired by a public agency
- All of the above