



Change in Ownership – Rescissions
Interested Parties Meeting
December 18, 2018

Summary

Staff of the State Board of Equalization (staff) met with interested parties to discuss comments submitted on a proposed Letter To Assessors (LTA) related to change in ownership – rescissions.

Proposed Guidance

Board staff has initiated a project to issue an LTA to summarize the various written opinions by the Board of Equalization's Legal Department that address (1) a property owner's ability to rescind a recorded deed that triggered a reassessable change in ownership and (2) the property tax effect of such a rescission.

Discussion

In general, the parties agreed on most of the comments. However, discussion focused on the differences between unilateral rescissions and mutual rescissions and the statutory provisions of each. Another topic discussed was the requirement of restoration of benefits and what it means to restore parties to the position they were in prior to the execution of the contract. This led to a discussion of executed versus executory transactions.

Conclusion

Parties asserted that the draft LTA needed to be rewritten to distinguish between unilateral rescissions and mutual rescissions and agreed to provide language. The parties agreed to provide staff with comments on the discussion items and specific rescission examples, in writing, by Friday, January 4, 2019. Staff will collate the responses into the draft LTA and issue the second draft in February 2019. If comments are received on the second draft, another interested parties meeting will be scheduled.