

1 **CHANGE IN OWNERSHIP – RESCISSION**

2 In 2018, Board of Equalization (BOE) staff initiated a project to issue a Letter To Assessors that  
3 summarizes the various written opinions by the BOE's Legal Department addressing (1) a property  
4 owner's ability to rescind a recorded deed that triggered a reassessable change in ownership and  
5 (2) the property tax effect of such a rescission.

6 The first draft was issued in Letter To Assessors No. 2018/023. In response to comments received,  
7 staff scheduled an interested parties meeting on December 18, 2018. Staff took the discussion of  
8 the interested parties into consideration and determined that the BOE's initial guidance, as provided  
9 in Property Tax Annotations 220.0595 through 220.0601, has not changed.

10 In summary, an assessor has discretion to determine whether a transfer is, in fact, a valid mutual  
11 rescission. A mutual rescission should be recognized if:

- 12 • All parties to the transaction consent.
- 13 • The rescission is made promptly and within a reasonable time (to be determined on a  
14 case-by-case basis by the assessor).
- 15 • All parties are restored to the positions they were in prior to the transfer.

16 For a mutual rescission, all parties to the ~~contract transfer~~ must consent to the rescission. If one of  
17 the parties is deceased, that person cannot consent, and the rescission is not mutual.

18 Once a transfer of real property is rescinded, the value of the real property reverts to its adjusted  
19 base year value prior to the transfer *prospectively*, beginning with the lien date following the  
20 recording date of the rescission. A rescission will not result in a refund of taxes paid while the  
21 ~~contract transfer~~ was in effect.

22 The restoration of a base year value as a result of a rescission is not subject to supplemental  
23 assessment. An assessor may make a supplemental assessment of real property only when a change  
24 in ownership occurs or new construction is completed. The restoration of a base year value is not  
25 a reappraisable event that would trigger a supplemental assessment.

26 All documents and comments regarding this project are posted to the BOE's website at  
27 [www.boe.ca.gov/proptaxes/change-in-ownership-recissions.htm](http://www.boe.ca.gov/proptaxes/change-in-ownership-recissions.htm). In addition, Property Tax  
28 Annotations 220.0595 through 220.0601 may be viewed from the BOE's website at  
29 [www.boe.ca.gov/lawguides/property/current/ptlg/annt/220-0000-all.html](http://www.boe.ca.gov/lawguides/property/current/ptlg/annt/220-0000-all.html). If you have questions  
30 regarding this project, you may contact the County-Assessed Properties Division at  
31 1-916-274-3350.