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PROPERTY AND SPECIAL TAXES DEPARTMENT
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No. 2010/053

October 27, 2010

TO COUNTY ASSESSORS:

ASSESSMENT APPEALS

Effective January 1, 2011, Senate Bill 1494 (Stats. 2010, ch. 654) made clarifying non-substantive changes to Revenue and Taxation Code¹ section 1604 and repealed several redundant statutes.

Taxpayers' Opinion of Value. Section 1604 provides that assessment appeals boards or local boards of equalization (county boards) must hear and decide appeals within two years of the filing of the *Application for Changed Assessment*. Generally, if the two-year time period is not met, then the taxpayer's opinion of value will be enrolled for the tax year(s) covered by the appeal; and in certain types of appeals, the taxpayer's opinion of value will remain in effect until the county board makes a final determination. The amendments to section 1604 clarify that this two-year period applies to hearings on supplemental and escape assessment appeals as well as to decline in value appeals by modifying and deleting references to other sections of code that have been causing some uncertainty on this issue. There has been some ambiguity with respect to whether the two-year period applies to appeals of supplemental and escape assessments under Section 1605. In Letter To Assessors 1995/56, Board staff opined that the two-year period does apply to these appeals but that the issue was not free of doubt. The amendments to section 1604 remove this uncertainty. Additionally, other minor amendments to section 1604 were made to provide for the use of consistent terms throughout the text and to delete an obsolete date reference.

Repealed Statutes. Assembly Bill 824 (Stat. 2009, ch. 277) amended sections 1612.5 and 1612.7 to consolidate numerous statutes that address procedures and restrictions for certain county officials and employees where conflicts of interest may occur in assessment appeal related matters.² However, Assembly Bill 824 did not repeal the duplicated provisions contained in sections 1624.3, 1636.2, and 1636.5 at that time. Effective January 1, 2011, those duplicative statutes are repealed.

Enclosed is a copy of the amended section 1604 and the repealed sections in strikeout/underline format. If you have any questions regarding assessment appeals, please contact our Assessment Services Unit at 916-445-4982.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:mw
Enclosure

¹ All statutory references are to the Revenue and Taxation Code unless otherwise indicated

² See Letter To Assessors 2010/11 (www.boe.ca.gov/proptaxes/pdf/lta10011.pdf).

Section 1604 of the Revenue and Taxation Code is amended to read:

1604. (a) (1) In counties of the first class, annually, on the fourth Monday in September, the county board shall meet to equalize the assessment of property on the local roll. ~~The board~~ It shall continue to meet for that purpose, from time to time, until the business of equalization is disposed of.

(2) In all other counties, annually, on the third Monday in July, the county board shall meet to equalize the assessment of property on the local roll. It shall continue to meet for that purpose, from time to time, until the business of equalization is disposed of.

(b) (1) ~~Any taxpayer may petition the board for a reduction in an assessment by filing an application pursuant to Section 1603.~~ An application for a reduction in an assessment filed pursuant to Section 1603 shall also constitute a sufficient claim for refund, if the applicant states in the application that the application is also intended to constitute a claim for refund pursuant to the provisions of Section 5097.

(2) The county board shall have no power to receive or hear any ~~petition~~ application for a reduction in an escaped assessment made pursuant to Section 531.1 nor a penal assessment levied in respect thereto, nor to reduce those assessments.

(c) If the county ~~assessment appeals~~ board fails to hear evidence and fails to make a final determination on the application for reduction in assessment of property within two years of the timely filing of the application, the ~~taxpayer's~~ applicant's opinion of ~~market~~ value as reflected on the application for reduction in assessment shall be the value upon which taxes are to be levied for the tax year or tax years covered by the application, unless either of the following occurs:

(1) The ~~taxpayer~~ applicant and the county ~~assessment appeals~~ board mutually agree in writing, or on the record, to an extension of time for the hearing.

(2) The application for reduction is consolidated for hearing with another application by the same ~~taxpayer~~ applicant with respect to which an extension of time for the hearing has been granted pursuant to paragraph (1). In no case shall the application be consolidated without the ~~taxpayer's~~ applicant's written agreement after the two-year time period has passed or after an extension of the two-year time period previously agreed to by the ~~taxpayer~~ applicant has expired.

The reduction in assessment reflecting the ~~taxpayer's~~ applicant's opinion of ~~market~~ value shall not be made, however, until two years after the close of the filing period during which the timely application was filed. Further, this subdivision shall not apply to applications for reductions in assessments of property where the ~~taxpayer~~ applicant has failed to provide full and complete information as required by law or where litigation is pending directly relating to the issues involved in the application. ~~This subdivision is only applicable to applications filed on or after January 1, 1983.~~

(d) (1) When the applicant's opinion of value, as stated on the application, has been placed on the assessment roll pursuant to subdivision (c), and the application requested a reduction in the base year value of an assessment ~~pursuant to subdivision (a) of Section 80~~, the applicant's opinion of value shall remain on the roll until the county board makes a final determination on the application. The value so determined by the county board, plus appropriate adjustments for the inflation factor, shall be entered on the assessment roll for the fiscal year in which the value

is determined. No increased or escape taxes other than those required by a purchase, change in ownership, or new construction, or resulting from application of the inflation factor to the applicant's opinion of value shall be levied for the tax years during which the county board failed to act.

(2) When the applicant's opinion of value has been placed on the assessment roll pursuant to subdivision (c) for any application other than an application ~~filed pursuant to subdivision (a) of Section 80~~ requesting a reduction in base year value, the applicant's opinion of value shall be enrolled on the assessment roll for the tax year or tax years covered by that application.

(e) The county board shall notify the applicant in writing of any decision by that board not to hold a hearing on his or her application for reduction in assessment within the two-year period specified in subdivision (c). This notice shall also inform the applicant that the ~~taxpayer's~~ applicant's opinion of value as reflected on the application for reduction in assessment shall, as a result of the county board's failure to hold a hearing within the prescribed time period, be the value upon which taxes are to be levied in the absence of the application of either paragraph (1) or (2) of subdivision (c).

~~—1624.3. No current member of an assessment appeals board, nor any alternate member, may represent an applicant for compensation on any application for equalization filed pursuant to Section 1603 in the county in which the board member or alternate member serves.~~

~~—1636.2. No current hearing officer may represent an applicant for compensation on any application for equalization filed pursuant to Section 1603 in the county in which the hearing officer serves.~~

~~—1636.5. (a) An assessment hearing officer shall notify the clerk immediately upon filing an application on his or her own behalf, or upon his or her decision to represent his or her spouse, parent, or child in an assessment appeal.~~

~~—(b) When the application described in subdivision (a) is scheduled for hearing, the clerk shall schedule the matter before an alternate assessment appeals board pursuant to the provisions of Section 1622.6.~~