



STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 274-3350 • FAX 916 285-0134
www.boe.ca.gov

BETTY T. YEE
First District, San Francisco

SEN. GEORGE RUNNER (RET.)
Second District, Lancaster

MICHELLE STEEL
Third District, Rolling Hills Estates

JEROME E. HORTON
Fourth District, Los Angeles

JOHN CHIANG
State Controller

KRISTINE CAZADD
Executive Director

No. 2011/051

December 21, 2011

TO COUNTY ASSESSORS:

DECLINE IN VALUE ROLL CORRECTIONS:
FLOATING HOMES AND MANUFACTURED HOMES

Effective January 1, 2012, Senate Bill 947 (Stats. 2011, ch. 351) amends Revenue and Taxation Code¹ section 4831 to allow floating homes and manufactured homes to receive a decline in value after the roll has closed.

Section 51(a) provides that on the lien date, the taxable value of real property shall be the lower of the adjusted base year value or current market value. Existing section 4831(c) allows county assessors to correct an error on the roll involving value judgment where the error arose solely from a failure to reflect a decline in the taxable value of real property; such corrections must be made within one year after the making of the assessment that is being corrected.

Real property is defined in section 104 as land and improvements. Land includes all mines, minerals, and quarries in the land and all standing timber. Improvements² includes all buildings, structures, fixtures, and fences erected on or affixed to the land and all fruit, nut bearing, or ornamental trees and vines, not of natural growth, and not exempt from taxation (except date palms under eight years of age).

Manufactured homes that are not on permanent foundations are classified as personal property pursuant to section 5801(b)(2). However, they are treated as real property in that they are reassessed upon a change in ownership or completion of new construction and receive a base year value pursuant to section 5802. Floating homes are in a similar situation in that they are treated differently for property tax purposes. Section 229 provides that floating homes are not vessels, but are treated as real property for property tax assessment purposes.

SB 947 amends section 4831(c) as follows:

(c) Any error or omission involving the exercise of assessor value judgment that arises solely from a failure to reflect a decline in the taxable value of real property, floating homes subject to taxation pursuant to Section 229, and manufactured homes subject to taxation under Part 13 (commencing with Section 5800), as required by paragraph (2) of subdivision (a) of Section 51 shall only be corrected within one year after the making of the assessment that is being corrected.

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

² Section 105.

This amendment extends to floating homes and manufactured homes the assessor's authority to correct the roll to reflect a decline in value as specified.

Due to this change in law, this letter supersedes the opinion expressed on page 3 of Letter To Assessors 95/54 regarding the application of section 4831 to manufactured homes.

If you have any questions regarding this law change, please contact our County-Assessed Properties Division at 916-274-3350.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:grs