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No. 2017/002

January 5, 2017

TO COUNTY ASSESSORS:

REVISED SECTION 11 APPEALS FILING DEADLINE

Senate Bill 1480 (Stats. 2016, ch. 116) extends the deadline for local governments to file appeals with the Board of Equalization (BOE) related to taxable government-owned property ("Section 11" appeals) from July 20 to November 30. In the event that an appeal is filed with the county, the taxpayer should be notified that the appeal is to be filed with the BOE. The change to the filing deadline affects Revenue and Taxation Code¹ section 1840. The purpose of the extension of the appeals deadline is to align state and local assessed property appeal filing deadlines. This change took effect January 1, 2017.

Generally, the law exempts local government-owned property from property tax. However, the law subjects local government-owned property to tax if the property is located outside the local government's jurisdictional boundaries and the property was taxable when acquired. Taxable government-owned properties are referred to as "Section 11" properties after the section in the California Constitution that requires their taxation. (Cal. Const., art. XIII, § 11.) This constitutional provision provides that the BOE shall review these assessments (Section 11 appeals) rather than a local county assessment appeals board.

Existing Law: Section 11 Appeals Filing Deadline

Current law provides that all property is taxable and shall be assessed at the same percentage of fair market value unless explicitly exempted by the California Constitution or federal law. Property owned by a local government is exempt from taxation unless the property is located outside the boundaries of the local government that owns it, and the property was taxable when acquired. In such cases, the assessor in the county where the property is located values the property for tax purposes. Current law also provides that assessment of these properties are subject to review, equalization, and adjustment by the BOE, not a county assessment appeals board.

The current law sets July 20 as the deadline to file Section 11 appeals. In cases where the assessor completes the assessment roll after July 1, the law extends the deadline and the appeal must be filed within two weeks after the assessor completes and delivers the roll to the county auditor. In these counties, the deadline is typically two weeks after July 31. The appeals filing

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

deadline for Section 11 properties differs from the deadline for other locally assessed property appeals. For appeals filed with the local assessment appeals board, generally the deadline is November 30. Currently, nine counties have an earlier deadline of September 15.²

Changes as of January 1, 2017: Section 11 Appeals Filing Deadline

This bill amends section 1840 and extends the filing deadline for Section 11 appeals from July 20 to November 30. Establishing a November 30 filing deadline makes the appeals filing deadlines generally consistent with deadlines related to other locally assessed property appeals. The bill also deletes the language that extends the deadline by two weeks in certain instances because a November 30 deadline provides an adequate extension.

If you have any questions concerning the changes affecting the Section 11 appeals filing deadline, please contact the County-Assessed Properties Division at 1-916-274-3350. For additional information, please refer to the BOE's *Guidelines for the Assessment of Taxable Government-Owned Properties*.³

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee
Deputy Director
Property Tax Department

DRK:mc

² <http://www.boe.ca.gov/proptaxes/pdf/filingperiods.pdf>

³ <http://boe.ca.gov/proptaxes/pdf/lta00037.pdf>

SECTION 11 APPEALS FILING DEADLINE
STATUTORY CHANGES

Section 1840 of the Revenue and Taxation Code is amended to read:

1840. If any county, city and county, or municipal corporation desires to secure a review, equalization, or adjustment of the assessment of its property by the board pursuant to subdivision (g) of Section 11 of Article XIII of the California Constitution, it shall apply to the board for that review, equalization, or adjustment in writing on or before November 30. ~~therefor in writing on or before July 20, or within two weeks after the completion and delivery by the assessor of the local roll containing the assessment to the auditor as provided in Section 617, whichever is the later.~~ If the assessment objected to is one made outside the regular period for those ~~such~~ assessments, the application for review shall be filed with the board within 60 days from the date the tax bill is mailed to the assessee.

Every application shall show the facts claimed to require action of the board, and a copy of the application ~~thereof~~ shall be filed with the assessor whose assessment is questioned. Upon receipt of a timely application, the board shall afford the applicant notice and a hearing in accordance with any ~~such~~ rules and regulations as the board may prescribe. The failure to file a timely application shall bar the applicant from relief under subdivision (g) of Section 11 of Article XIII or this section.