



STATE BOARD OF EQUALIZATION
PROPERTY TAX DEPARTMENT
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Executive Director

No. 2017/026

June 30, 2017

TO COUNTY ASSESSORS,
COUNTY COUNSELS, AND
OTHER INTERESTED PARTIES:

**CALIFORNIA CODE OF REGULATIONS
TITLE 18, PUBLIC REVENUES**

PROPERTY TAX RULES 263 AND 1051

Following a public hearing on March 28, 2017, the State Board of Equalization (Board) amended Property Tax Rule (Rule) 263, *Roll Corrections*, and Rule 1051, *Extension of Time for Acts Required by Regulation*. The amendments were initiated pursuant to the California Code of Regulations, title 1, section 100. The rule amendments became effective on May 15, 2017.

New subdivision (d) was added to Rule 263 to incorporate the provisions of Revenue and Taxation Code (RTC) section 4831.1 (added by Senate Bill 1458, Stats. 2016, ch. 871), which extends the time for correcting assessments on the roll related to the Disabled Veterans' Exemption from four years to eight years after the assessment was made. The amendments also added clarifying numbering to subdivision (a) and relettered former subdivisions (d) through (i) accordingly.

Rule 1051 was amended to:

- Update the rule's prior reference to the Board's "secretary" with a reference to the Board's "Executive Director" to be consistent with the current provisions of RTC section 155, which references the Board's Executive Director and is implemented by this rule;
- Clarify that the rule applies to extensions of time to perform acts that are fixed by a "rule" or regulation, to be consistent with Government Code section 15606, which authorizes the Board to prescribe rules or rules and regulations;
- Replace the rule's prior references to "board" with "Board," to clarify that the reference is to the State Board of Equalization, consistent with the use of the term "Board" to refer to the State Board of Equalization in other rules;
- Add the word "county" before the rule's prior reference to "board of equalization" to clarify that the reference is to a county board of equalization; and
- Remove the capitalization from "Section" in accordance with the California Style Manual.

In addition, Rule 1051 was moved from chapter 12 to new chapter 13, *Miscellaneous*. Chapter 12, which contains three rules (Rules 1045, 1046, and 1047) pertaining to the taxation of racehorses, has been renamed *Racehorse Tax*.

Enclosed is a final printed copy of the rules. In addition, the Property Tax Rules are posted on the Board's website at <http://www.boe.ca.gov/proptaxes/prop-tax-rules.htm>.

If you have any questions regarding the contents of these rules, please contact the County-Assessed Properties Division at 1-916-274-3350.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee
Deputy Director
Property Tax Department

DJG:grs
Enclosure

BOARD OF EQUALIZATION

PROPERTY TAX RULES

Division 1. State Board of Equalization – Property Tax
Chapter 2. Assessment
Article 6. Local Roll

RULE 263. ROLL CORRECTIONS.

Authority: Section 15606, Government Code.

Reference: Sections 4831, 4831.1, 4831.5, 4834, 4835, 4836, 4838 and 4840, Revenue and Taxation Code.

(a) (1) Any error or omission not involving the exercise of value judgment which results in an incorrect entry or entries on the roll may be corrected after the roll is delivered to the auditor, provided that the correction is made within four years after the making of the assessment that is being corrected.

(2) If an error or omission not involving the exercise of value judgment is discovered as the result of an audit of a taxpayer's books and records, that error or omission may be corrected at any time prior to the expiration of six months after the completion of the audit.

(b) Any error or omission involving the exercise of 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 Revenue and Taxation Code section 229, and manufactured homes subject to taxation under part 13 (commencing with section 5800) of division 1 of the Revenue and Taxation Code, as required by paragraph (2) of subdivision (a) of Revenue and Taxation Code section 51, shall be corrected within one year after the making of the assessment that is being corrected.

(c) Any incorrect entry on the roll resulting from a defect of description or clerical error, as determined by the assessor upon audit, made by the assessee in the property statement or in other information or records which causes the assessor to assess taxable tangible property which was not subject to assessment or to assess taxable tangible property at a substantially higher value may be corrected under this article. The correction shall be made after the roll is delivered to the auditor within the time period for making escape assessments as provided in Revenue and Taxation Code sections 532 and 532.1. The change to be made on the roll shall be certified to the auditor by the assessor.

(d) Corrections to the roll that relate to the disabled veterans' exemption pursuant to Revenue and Taxation section 205.5 may be corrected within eight years after the making of the assessment being corrected.

(e) If a correction will increase the amount of unpaid taxes, the assessor shall notify the assessee of the procedure for obtaining review by the county board under Revenue and Taxation Code section 1605 and the procedure for applying for cancellation under Revenue and Taxation Code section 4986.

(f) If a correction will decrease the amount of unpaid taxes, the consent of the board of supervisors is necessary to make the correction.

(g) Corrections authorized under this rule shall be made by the auditor upon delivery of the relevant information by the assessor.

(h) The provisions of this rule do not apply to escape assessments caused by the assessee's failure to report the information required by article 2 (commencing with section 441) of chapter 3 of part 2 of division 1 of the Revenue and Taxation Code, and roll corrections are not a prerequisite for escape assessments or base year value corrections.

Rule 263 (continued)

(i) If the roll of any taxing agency in the course of preparation is lost or destroyed because of public calamity and is reconstructed from available data, at any time before the declaration of default, the assessor may correct any erroneous assessment. The assessor shall:

(1) Send certified notices of the correction to the tax collector, the auditor, and the Controller.

(2) Enter the date and nature of the correction with reference to the property for which the correction is being made.

(j) On receipt of satisfactory, verified, written evidence that taxes have been entered on the secured roll as a lien on real property on which they are not legally a lien, the assessor shall transmit the evidence and his or her cancellation to the auditor. On direction of the board of supervisors, the auditor shall cancel the entry as a lien on that real property and reenter such taxes as follows:

(1) If the assessee has real property sufficient, in the assessor's opinion, to secure the payment of the taxes, as a lien on real property.

(2) Where there is not sufficient real property to secure the taxes on locally-assessed property, the taxes shall be placed on the unsecured roll. In the case of state-assessed property, the taxes shall be placed on the secured roll.

History: Adopted March 27, 2002, effective July 11, 2002. Adoption of the rule provides authority for roll corrections and requires assessors to follow specified procedures for corrections to the roll.
Amended July 3, 2012, effective July 3, 2012.
Amended September 10, 2013, effective December 24, 2013
Amended March 28, 2017, effective May 15, 2017

State of California

BOARD OF EQUALIZATION

PROPERTY TAX RULES

Division 1. State Board of Equalization – Property Tax
Chapter 13. Miscellaneous

Rule 1051. Extension of Time for Acts Required by Rule or Regulation

Authority: Section 15606, Government Code.

Reference: Section 155, Revenue and Taxation Code.

When any rule or regulation of the Board fixes the time for the performance of any act by the assessor, county board of equalization, assessment appeals board, or other board, officer, or employee of a county or local governmental entity, the time may be extended by the Board or its Executive Director in the same manner and for the same periods as provided by section 155 of the Revenue and Taxation Code for extension of a time fixed by statute.

History: Adopted January 3, 1967, effective January 4, 1967.
Amended July 27, 1982, effective December 30, 1982.
Amended March 28, 2017, effective May 15, 2017