

Name: \_\_\_\_\_

**ASSESSMENT OF MANUFACTURED HOMES AND PARKS  
SELF-STUDY TRAINING SESSION**

**REVIEW QUESTIONS**

1. The Department of Housing and Community Development administers the vehicle license fee for manufactured homes.  
 True  
 False
  
2. A used manufactured home that is subject to local property tax is exempt from sales tax or use tax when sold.  
 True  
 False
  
3. New manufactured homes sold on or after July 1, 1980 are subject to property tax as real property or personal property.  
 True  
 False
  
4. Which of the following statements is always correct when a used manufactured home is sold [mark all that apply]?  
 It is subject to property tax as personal property  
 It is subject to property tax as real property  
 It is subject to VLF  
 It is subject to the method of taxation that applied to the home before the sale
  
5. Homes subject to taxation under the Manufactured Home Property Tax Law are manufactured homes, mobilehomes, commercial coaches, and factory-built housing.  
 True  
 False

6. Match the following by definition.

1	An individual dwelling unit or a component assembled off site.
2	A trailer designed for human habitation and contains 400 square feet or less of gross floor area.
3	An awning, portable or permanent cabana, ramada, or storage cabinet.
4	A structure transportable in one or more sections which in the traveling mode is 8 or more feet wide, 40 or more feet long; or when erected on site, more than 320 square feet.
5	Not designed or equipped as a residential dwelling unit.
6	A structure that meets the requirements of Section 18007.
7	A motorhome, travel trailer, truck camper, or camping trailer.

	Manufactured Home
	Mobilehome
	Commercial Coach
	Factory Built Housing
	Recreational Vehicle
	Park Trailer
	Accessories

7. The classification of a manufactured home as real property or personal property is important because classification affects [mark all that apply]:

- The taxability when the home is owned by military personnel claiming out-of-state residency
- The tax rate in areas where special assessments are levied on improvements
- The taxability when the home is held for sale or lease by a dealer
- The taxability when the home is owned by a bank or insurance company
- The taxability when the home is owned by a legal entity
- All of the above

8. Which of the following statements is correct concerning the taxation of manufactured homes [mark all that apply]?

- They have base year values and are subject to factoring
- Assessments are entered on the secured roll
- They do not qualify for Proposition 60 transfers
- Taxes may be paid in two installments
- They are not subject to supplemental assessments

9. Neither the State of California nor any of its counties have the power to tax property located on United States Government enclaves acquired by the United States prior to September 19, 1939.
- True
- False
10. A manufactured home that is Indian-owned and is removed from the reservation remains exempt from taxation provided it does not change ownership.
- True
- False
11. The Soldiers' and Sailors' Civil Relief Act of 1940 exempts a manufactured home (not on a permanent foundation) from property taxation when owned by an individual stationed in California on active military duty.
- True
- False
12. The lessee of tangible personal property owned by a bank or financial corporation is conclusively presumed to be the owner of that property for purposes of property taxation.
- True
- False
13. If a leasing corporation owns a manufactured home, classified as personal property, and leases the manufactured home to a taxable entity, the assessor must determine whether the lessee is acquiring an equitable interest in the manufactured home.
- True
- False
14. Manufactured homes owned by insurance companies and classified as real property are exempt from property taxation.
- True
- False
15. Ad valorem taxes may be levied for debt service of a water district on manufactured homes that occupy a rental space in a park.
- True
- False

16. Under provisions of section 75.12, a manufactured home may qualify for a builders' exclusion.
- True
- False
17. If a manufactured home is classified as personal property and held for sale or lease in the ordinary course of business, it is exempt from property taxation as \_\_\_\_\_
- \_\_\_\_\_.
18. The business inventory exemption is not applicable if the manufactured home [mark all that apply]:
- Is presently being used by the dealer or by any other person for purposes other than display
- Is classified as real property
- Is being held for sale or lease in the ordinary course of business
- Has been used by the dealer and is being held for lease (not held for sale)
- All of the above
19. The Homeowners' Exemption is applied to qualified manufactured homes assessed for property taxation purposes and to land and accessories for manufactured homes subject to vehicle license fee.
- True
- False
20. A manufactured home subject to property tax on rented land would be eligible for the Homeowners' Exemption on the manufactured home and eligible for the Renters' Credit for the rented land.
- True
- False
21. A qualified veteran, or the veteran's unmarried surviving spouse, must own, occupy, and maintain a manufactured home as his/her principal place of residence in order to be eligible for the Disabled Veterans' Exemption.
- True
- False

22. Section 69 provides disaster relief for manufactured homes that have been damaged or destroyed by a Governor-declared disaster. The damage must be physical damage which has been determined to be more than 80 percent of the full cash value immediately prior to the disaster.
- True
- False
23. If the full cash value of a replacement property does not exceed 120 percent of the full cash value of a manufactured home prior to damage, then the adjusted base year value of the manufactured home may be transferred to the replacement property as its base year value.
- True
- False
24. An owner of real property may qualify for the section 69.3 property tax relief provisions if the replacement property does not exceed 115% of the full cash value of the original property immediately prior to the disaster (including any inflation factor adjustments) if the replacement property is purchased or newly constructed within the third year following the date of the damage or destruction of the original property.
- True
- False
25. Under section 170, the disaster relief provisions are available to all manufactured homes subject to property taxation regardless of whether they are classified as personal property or real property.
- True
- False
26. Sections 172 and 172.1 do not restrict relief to damage resulting from a disaster declared by the Governor.
- True
- False
27. In order to qualify under sections 172 and 172.1, a manufactured home must be destroyed by a disaster. One way this can be determined is that the manufactured home be declared at least a 50 percent loss for insurance purposes.
- True
- False

28. A county board of supervisors must adopt an ordinance for section 5825 provisions to be applicable to manufactured homes classified as personal property.

True

False

29. Since 1986, there have been three amendments to article XIII A affecting the transfer of base year values for senior citizens and disabled persons. Match the following by definition:

1	Proposition 60
2	Proposition 90
3	Proposition 110

	Allows persons over age 55 who sell their residence and buy or build a replacement residence, located in a different county from the original residence, to transfer their base year value.
	Allows severely and permanently disabled persons who sell their residence and buy or build a replacement residence, located in a different county from the original residence, to transfer their base year value.
	Allows persons over age 55 who sell their residence and buy or build a replacement residence, located in the same county as the original residence, to transfer the base year value.
	Allows severely and permanently disabled persons who sell their residence and buy or build a replacement residence, located in the same county as the original residence, to transfer the base year value.

30. Section 63.1 allows an eligible manufactured home owner to exclude certain transfers of real property from grandchildren to grandparents from change in ownership under specified circumstances.

True

False

31. Health and Safety Code section 18551, subdivision (a), sets forth conditions to be followed when a manufactured home is installed on a permanent foundation and these conditions are applicable throughout California.

True

False

32. Manufactured homes are governed by the same statutes and regulations for the assessment appeals process as all other property that is subject to local property taxation. Manufactured home owners must file an application form with the assessor of the county where the manufactured home is located.

True

False

33. Manufactured homes are not subject to the provisions of Proposition 13.

True

False

34. Since owners of manufactured homes subject to property taxation on rented or leased land do not own the land on which the manufactured home is located, full cash value does not include an increment of value for the site.

True

False

35. The taxable value of a manufactured home is defined as the base year value, or the base year value as adjusted pursuant to Section 5813, plus the value of any new construction.

True

False

36. The reproduction cost is the preferred method to be used in the cost approach for manufactured homes.

True

False

37. County assessors must use the value guide developed by the State Board of Equalization as the source of cost information for manufactured homes.

True

False

38. The cost approach for manufactured homes is the same traditional cost approach used for conventional residences.

True

False

39. In the appraisal of a manufactured home on leased or rented land, it is the manufactured home and its accessories, exclusive of land, that is to be appraised. However, an exception is if the land is leased for 25 years or more, in which case the land would also be appraised.

True

False

40. There are various reasons why a premium price might be paid for an "in-place" manufactured home. Those reasons may include [mark all that apply]:
- Many parks require that certain minimum improvements and landscaping be made within a given time after a home is set up.
  - For desirable locations, such as those overlooking the ocean or fronting a lake or golf course, it is common for a significant amount to be included in the selling price of the manufactured home for the right to rent these sites.
  - Rent controls in effect for a park may result in the rents being below market, which could add a premium to the selling price of a manufactured home within that park.
  - The purchase price of a manufactured home may include items of personal property.
  - The manufactured home may have a base year value that is below the market value and the purchaser may pay a premium to retain the low base year value.
  - All of the above.
41. When the land transfers along with the manufactured home, the \_\_\_\_\_ approach is well suited for the valuation of manufactured homes.
42. The final analytical step in the appraisal process is to reconcile value indicators from the separate approaches utilized into a final estimate of value. Resolving the differences among the value indicators is called \_\_\_\_\_.
43. Cost factors in AH 531.35 are based only on manufacturers' list prices.
- True
  - False
44. The cost factors in AH 531.35 include sales tax.
- True
  - False
45. The cost factors in the N.A.D.A. (National Automobile Dealer Association) guide are developed from sales of used manufactured homes sold nationwide. All costs provided are values related to a home and equipment in above average condition.
- True
  - False
46. The most common transfer affecting manufactured homes is a transfer of 100 percent interest in a manufactured home.
- True
  - False



47. Section 5825 defines newly construction for a manufactured home as any substantial addition to a manufactured home since the last transfer date, and any alteration of the manufactured home which constitutes a major rehabilitation or which converts the property to a different use.
- True
- False
48. The relocation of a manufactured home to another county, regardless of whether it has changed ownership or not, is new construction.
- True
- False
49. All new construction of a manufactured home, whether the home is subject to property tax or the VLF, is assessable.
- True
- False
50. Private uses of manufactured homes owned by governmental entities, with the exception of those installed on approved foundation systems, are taxable possessory interests.
- True
- False
51. Assessors must annually appraise particular property types, such as manufactured homes, that may require adjustment for declining values.
- True
- False
52. Factors that may be attributable to site value for manufactured homes located in parks include [mark all that apply]:
- Rent control
- Vacancy levels in the park
- Space size
- Location of the space within the park
- All of the above
53. The assessor must not include any "add-on" value for positive site influence in the assessment of the manufactured home. In a situation where negative site value exists, it is the land, not the manufactured home, that is entitled to a reduction in value.
- True
- False

54. Manufactured home accessories includes both portable and permanently installed items.

True

False

55. Manufactured home accessories installed on rented or leased land with a manufactured home first sold prior to January 1, 1997 are presumed to be subject to VLF and not local property tax.

True

False

56. A \_\_\_\_\_ may be classified as personal property, or as real property if affixed to land on a permanent foundation system.

57. Manufactured homes are subject to supplemental assessment.

True

False

58. A manufactured home voluntarily transferred from the VLF to local property tax is subject to supplemental assessment.

True

False

59. The base year value of a manufactured home does not change due to the mere affixation to a permanent foundation.

True

False

60. Section 5803 provides that the assessor may take into consideration sale prices for manufactured homes listed in recognized value guides.

True

False

61. In the notification of changes in assessment sent by the assessor to the owner of a manufactured home, what must be included in the notice [mark all that apply]?

An explanation of stipulation procedures

Full value of the property

Place where applications for an assessment appeal may be filed

Information regarding assessment appeal hearings

Time period when assessment appeal application will be accepted

All of the above

62. The assessment of manufactured homes are entered on the unsecured roll and they are subject to all provisions of law applicable to taxes on the unsecured roll.

True

False

63. The Department of Housing and Community Development administers numerous housing and community development programs relative to manufactured homes.

True

False

64. HCD sends each assessor a monthly list of transfers, voluntary conversions, and situs changes of manufactured homes. The report contains [mark all that apply]:

Dealer's name

Registered owner's name and address

Decal number

Manufacturer's name

Condition of manufactured home

Latest purchase date

Trade name

Current base year value

Current situs address

All of the above

65. HCD has a website that can be accessed by assessors and tax collectors at no cost. To conduct a search for information, the requestor must have:

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

66. Most parks are income-producing commercial properties and can be assessed and treated for property tax purposes much the same as other commercial properties.

True

False

67. Land, whether the park as a whole or as individual lots, can most reliably be estimated using the cost approach.

True

False

68. The State Board of Equalization oversees the property taxation of parks, the county assessor administers property taxation of parks, and the Department of Housing and Community Development administers the enforcement of statutes and the regulatory process for park operators.
- True
- False
69. When using the cost approach to value a manufactured home park, the land is valued as if owned in fee, vacant, and available for development to its highest and best use.
- True
- False
70. The comparative sales approach is based upon the premise of comparing like with like. This is often difficult with parks because wide variations are found in (1) land values, (2) the design and shape of parks, and (3) the design, age and condition of improvements.
- True
- False
71. Factors that will assist in establishing comparability between park sales include [mark all that apply]:
- Net income multipliers
- Overall rates of return
- Net income as a percentage of gross income (net income ratio)
- Expenses as a percentage of gross income
- All of the above
72. Since parks are income-producing commercial properties, the income approach will always yield a reliable indicator of value.
- True
- False
73. Sections 62.1 and 62.2 exclude certain transfers of parks from change in ownership if the park is ultimately purchased by at least 50 percent of the tenants renting the individual spaces of the park.
- True
- False

74. What are the three types of transfers that sections 62.1 and 62.2 consider as exclusions to change in ownership with respect to transfers of parks?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

75. For transfers on or after January 1, 1990, the exclusion from change in ownership is available even if the resident-owned entity fails to initially attain the required resident participation level of 51 percent.

- True  
 False

76. For parks transferred between January 1, 1989 and January 1, 1993, the temporary period was \_\_\_\_\_ months. In general, for parks transferred after 1993, the temporary period within which the section 62.2 requirements must be complied with is \_\_\_\_\_ months.

77. Section 62.1 provides that a park that does not use recorded deeds to transfer ownership interest in the spaces or lots must file, by January 1 of each year, a report with the county assessor.

- True  
 False

78. Generally, once a transfer of a park has been excluded from change in ownership pursuant to one of the provisions of section 62.1, subsequent transfers of individual ownership interests are excluded from change in ownership and are not subject to reappraisal.

- True  
 False

79. For purposes of determining a new base year value for transfers of shares or other ownership interests representing ownership of individual mobilehome spaces in parks, what is the appraisal unit?

\_\_\_\_\_

80. To qualify for the Welfare Exemption, a park must be used exclusively for rental housing and related facilities serving lower-income households and must be owned and operated by a religious, hospital, scientific, or charitable fund, foundation, or corporation meeting all the requirements of section 214.

- True  
 False