



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY TAXES DEPARTMENT
450 N STREET, MIC: 64, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
TELEPHONE (916) 445-4982
FAX (916) 323-8765
www.boe.ca.gov

December 27, 2001

JOHAN KLEHS
First District, Hayward

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CLAUDE PARRISH
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TO COUNTY ASSESSORS:

JAMES E. SPEED
Executive Director

No. 2001/102

BOARD TO PUBLISH PROPOSED PROPERTY TAX RULE TO CLARIFY THAT
DISASTER RELIEF PROVISIONS APPLY TO SEPTEMBER 11 EVENTS

On December 20, 2001, the Board directed staff to draft a rule to clarify the application of the disaster relief provisions under section 170 of the Revenue and Taxation Code as it pertains to the September 11 terrorist attacks. In particular, the proposed rule would make clear that:

- "Damage or destruction," as used in section 170, includes a loss in value as a result of a period of restricted physical access caused by a misfortune or calamity.
- "Restricted access," as used in section 170, means that access to the property was restricted in compliance with a federal, state, or local government directive or law.

Of significance, the rule will clarify that relief under section 170 is available to property at airports that had access restricted as a result of the events of September 11. Further, the rule will clarify that relief under section 170 is not available for property that is not located within the area to which access was restricted.

Staff expects that the proposed rule will be published by the Office of Administrative Law no later than February 1. In accordance with the Administrative Procedure Act, notice of a public hearing on the rule will be made at least 45 days prior to the hearing, which we anticipate will occur on March 27, 2002. The notice will include the language of the proposed rule, the date, time, and place of the hearing, and contact information. Comments on the proposed rule should be submitted during the period between the date of the notice and scheduled hearing.

Sincerely,

/s/ Harold Hale for

David J. Gau
Deputy Director
Property Taxes Department

DJG:cg