

**Amend Revenue and Taxation Code Section 483 of the Property Tax Law to clarify the local body through which an assessee must appeal a penalty for failure to timely file a change in ownership statement. (Housekeeping)**

**Source: Property and Special Taxes Department**

**Existing Law**

Revenue and Taxation Code Section 463 provides that a 10 percent penalty applies if a person who is required to file an annual property statement fails to file the statement within the time limit specified by Section 441. This section also allows the penalty to be abated if the assessee establishes to the satisfaction of the county board of equalization or the assessment appeals board that the failure to file the property statement timely was due to reasonable cause and not willful neglect.

Section 482 provides that a penalty applies if a change in ownership statement, as required by Sections 480, 480.1, or 480.2, is not timely filed. Section 483 allows the penalty to be abated by the county board of supervisors if the assessee establishes to their satisfaction that the failure to file the change in ownership statement timely was due to reasonable cause and not due to willful neglect.

In drafting a recent Letter To Assessors on the Legal Entity Ownership Program (LEOP) penalty process, BOE staff have essentially opined that, notwithstanding the Section 483 reference to the board of supervisors, one needs to appeal the LEOP penalty to the local board of equalization or the assessment appeals board. This is consistent with both Rule 302, which specifies that the appeals board hears penalties, and Section 1605.5 (b) which says the same thing.

**This Proposal**

To be consistent with Section 462 and Rule 302, this proposal would change Section 483 to provide that the county board of equalization or the assessment appeals board can abate the penalty for failure to timely file a change in ownership statement.

*Section 483 of the Revenue and Taxation Code is amended to read:*

483. (a) If the assessee establishes to the satisfaction of the county board of ~~supervisors~~ equalization or the assessment appeals board that the failure to file the change in ownership statement within the time required by subdivision (a) of Section 482 was due to reasonable cause and not due to willful neglect, and has filed the statement with the assessor, the county board of supervisors may order the penalty abated, provided the assessee has filed with the county board of ~~supervisors~~ equalization or the assessment appeals board a written application for abatement of the penalty no later than 60 days after the date on which the assessee was notified of the penalty.

If the penalty is abated it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

(b) The provisions of subdivision (a) shall not apply in any county in which the board of supervisors adopts a resolution to that effect. In that county the penalty provided for in subdivision (a) of Section 482 shall be abated if the assessee files

the change of ownership statement with the assessor no later than 60 days after the date on which the assessee was notified of the penalty.

If the penalty is abated it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.

(c) If a person or legal entity establishes to the satisfaction of the county board of ~~supervisors~~ equalization or the assessment appeals board that the failure to file the change in ownership statement within the time required by subdivision (b) of Section 482 was due to reasonable cause and not due to willful neglect, and has filed the statement with the State Board of Equalization, the county board of ~~supervisors~~ equalization or the assessment appeals board may order the penalty be abated, provided the person or legal entity has filed with the county board of ~~supervisors~~ equalization or the assessment appeals board a written application for abatement of the penalty no later than 60 days after the date on which the person or legal entity was notified of the penalty by the assessor.

If the penalty is abated by the county board of ~~supervisors~~ equalization or the assessment appeals board, it shall be canceled or refunded in the same manner as an amount of tax erroneously charged or collected.