



**STATE BOARD OF EQUALIZATION  
STAFF LEGISLATIVE BILL ANALYSIS**

Date Introduced:	<b>2/22/01</b>	Bill No:	<b>AB 645</b>
Tax:	<b>Property</b>	Author:	<b>Horton</b>
Board Position:	<b>Support - Board Sponsored</b>	Related Bills:	

**BILL SUMMARY**

This bill would extend the final date to file applications for assessment appeal from September 15 to November 30 if value notices are not sent by September 1.

**ANALYSIS**

**Current Law**

Under existing Revenue and Taxation Code Section 1603, a taxpayer must file an assessment appeal application between July 2 and September 15 to appeal the assessed value of real property for property tax purposes.

Revenue and Taxation Code 619 generally requires the assessor to notify taxpayers of changes in the assessed values of their property by July 1, the date that the assessment roll must be completed.<sup>1</sup> However, a notice is not required when the only value change is the application of the annual 2% inflation factor.

**Proposed Law**

This bill would amend Section 1603 of the Revenue and Taxation Code to extend the final date to file an assessment appeal application for real property to November 30<sup>th</sup> if the county assessor does not send a notice of the property's assessed value to the taxpayer by September 1.

**Background**

Previous legislative attempts to extend the filing deadline for assessment appeals are summarized in the following table:

<b>Bill</b>	<b>Year</b>	<b>Author</b>	<b>Sponsor</b>
SB 2169	2000	SR&T Committee	Board of Equalization
SB 657	1995	Maddy	California Taxpayers' Association
AB 614	1993	Rainey	Contra Costa County Assessor
SB 1795	1992	Johnson	Author

These bills failed primarily due to opposition from either the California Assessors' Association or individual county assessors.

<sup>1</sup> Assessors may receive a 30 day extension period to complete the assessment roll pursuant to Revenue and Taxation Code 155.

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**COMMENTS**

1. **Sponsor and Purpose.** This bill is sponsored by the Board of Equalization. Its purpose is to provide taxpayers with a realistic opportunity to appeal their assessed value once they receive some form of communication from the county as to the value determined by the assessor, either by a value notice or the tax bill, as the case may be.
2. **Tax Bills Arrive After Appeal Filing Period Has Ended.** Annual property tax bills must be mailed before November 1. The taxes are payable in two equal installments, with the first installment due November 1 and delinquent on December 10. (§§2610.5, 2704)
3. **Taxpayers Often Express Outrage and Disbelief.** The fact that the bill arrives in the mail only after the period to challenge the assessment has passed confounds many taxpayers. They often express their belief that the system has been designed to prevent them from exercising their right to appeal.
4. **The Appeals Filing Period was designed for Pre-Proposition 13 Times.** The appeals filing period was not adjusted after Proposition 13. The July 2<sup>nd</sup> to September 15<sup>th</sup> appeals filing period worked well prior to Proposition 13 when property was cyclically reappraised to current market value and assessors were required to notify taxpayers of increases in their assessed value prior to July 1.
5. **Annual Assessed Value Notices.** The law still generally requires the assessor to notify taxpayers of increases in assessed value prior to July 1, but the requirement to send a notice is waived when the only change in assessed value is the application of the annual 2% inflation adjustment pursuant to the provisions of Proposition 13. Since the majority of properties fall into this category, most taxpayers do not receive a notice of the current assessed value of their property until the tax bill arrives at the end of October.
6. **Presumably Annual Notices were Deemed Unnecessary Post-Proposition 13.** With Proposition 13, absent any change to the property, a taxpayer could expect that the assessed value would not increase by more than two percent and could independently estimate the value for next tax year. However this line of reasoning also assumes that taxpayers would remember the annual appeals filing period, as well as remember the assessed value for the prior year, without any prompting.
7. **Currently Only Five Counties Still Send Value Notices to All Taxpayers.** The five counties are Alameda, Orange, San Luis Obispo, Santa Clara and Sutter. Counties that send value notices generally believe that the assessment appeal date should not be extended in their case. Counties that do not send notices generally state that they do not send value notices to all taxpayers because it is too costly.
8. **Creates Lack of Statewide Uniformity.** This measure would create a lack of statewide uniformity in assessment appeal filing periods between counties that

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send value notices and those that do not. This reflects a compromise in order to remove the opposition of some county assessors who would otherwise oppose the filing date extension. While a lack of uniformity is undesirable, it is necessary so that the greatest number of taxpayers who own property in counties that do not send an annual value notice are provided with value information prior to the deadline to challenge their assessment.

- 9. **Local Option.** Any county can decide to send value notices if they do not wish to extend the final filing deadline in their county.
- 10. **The appeals period extension is limited to real property.** This was done at the request at the Assessors' Association because taxes on unsecured personal property assessments are due on August 31.

**COST ESTIMATE**

With respect to property taxes, the Board would incur some minor absorbable costs in revising forms, amending Property Tax Rules and updating Assessors' Handbooks and the Assessment Appeals Manual.

**REVENUE ESTIMATE**

Any revenue impact from this bill would stem from those additional assessment appeals that would be filed by persons who would have otherwise been barred because they missed the final filling deadline. Appeals boards can increase, decrease, or maintain the value set by the assessor. Thus any loss or gain would be associated with the assessment appeals boards setting a value different than that established by the assessor. There is no measurable standard upon which to base an estimate of the outcome of assessment appeals decisions.

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