

Property Taxpayers'
BILL OF RIGHTS
2001-02
ANNUAL REPORT

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Letter to Executive Director

October 2002

Mr. James E. Speed
Executive Director

Dear Mr. Speed:

The Taxpayers' Rights Advocate Office (TRAO) staff and I are pleased to present the 2001-02 Property Taxpayers' Bill of Rights Annual Report for the Board's and your consideration. This report highlights our accomplishments over the past year, current issues in the process of solution development, and emerging issues with recommendations for consideration in the coming year.

Throughout the year, we worked with Property Taxes Department staff, Legal Division staff, county assessors, and other interested parties to address concerns raised by taxpayers and representatives. Focus was on the grandparent/grandchild exclusion, clarification of the application for reduced assessment filing period extension, review of "Proposition 13" reappraisal exclusions related to missed filing periods, and various revisions to laws, rules, handbooks, statements, and forms. In addition, with the cooperation of the Property Taxes Department and the Customer and Taxpayer Services Division, we employed educational strategies, including media, taxpayer outreach and information for the Board's Web site to improve taxpayer understanding and voluntary compliance with the law.

We look forward to continuing to work with staff, local property taxation officials, and the public as we identify trends and issues, resolve problems, and strive to better serve our customers.

Respectfully submitted,

A handwritten signature in black ink that reads "Jennifer L. Willis". The signature is written in a cursive, flowing style.

Jennifer L. Willis
Taxpayers' Rights Advocate

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TAXPAYERS' RIGHTS ADVOCATE OFFICE

In January 1989, the original Taxpayers' Bill of Rights was established to ensure that the rights, privacy, and property of California taxpayers are adequately protected in the assessment and collection of sales and use taxes. Effective January 1993, the Special Taxes Bill of Rights was established, expanding Bill of Rights statutory authority to the special taxes programs administered by the Board of Equalization (BOE). As the Board accepts responsibility for new special taxes and fee programs, the Bill of Rights protections are added for each program. Since these programs primarily impact business owners, they will be referred to generally as the Business Taxpayers' Bill of Rights, covering both sales and use taxes and the various special taxes and fees.

The Morgan Property Taxpayers' Bill of Rights, effective January 1, 1994, is found in section 5900 et seq. of California's Revenue and Taxation Code (R&T). It governs the assessment, audit, and collection of property taxes, with the goal to ensure that taxpayers receive fair and uniform treatment under the property taxation laws. It requires the Board to designate a "Property Taxpayers' Advocate" independent of, but not duplicative of, the Board's existing property tax programs, to report directly to the Board's Executive Director. The Property Taxpayers' Advocate is to be specifically responsible for reviewing property tax matters from the viewpoint of the taxpayer, and to review, report on, and recommend to the Board's Executive Director any necessary changes which will help accomplish the Bill of Rights provisions. (Appendix A provides an explanation of the differences between the Business and Property Taxpayers' Bills of Rights.)

The Taxpayers' Rights Advocate Office (TRAO):

- facilitates resolution of taxpayer complaints or problems;
- monitors various Board tax and fee programs for compliance with the Taxpayers' Bill of Rights;
- recommends new procedures or revisions to existing policy to ensure fair and equitable treatment of taxpayers;
- participates on various task forces, committees and in public forums; and
- holds mandated Taxpayers' Bill of Rights hearings to provide the public, county assessors, and other local agency representatives with an opportunity to express their concerns, suggestions and comments to the Board Members.

The TRAO generally assists taxpayers who have been unable to resolve a matter through normal channels, when they want information regarding procedures relating to a particular set of circumstances, or when there appears to be rights violations in the property taxes, audit or compliance areas. Taxpayers also call to convey their frustration, seeking assurance or confirmation that staff or local county action is lawful and just.

In cases where the law, policy, or procedures do not allow any change to the staff action but a change appears justified the TRAO is alerted to a potential area that may need clarification or modification. Several of past Taxpayers' Bill of Rights Annual Report suggestions, recommendations for policy or procedural changes, and legislative proposals have resulted from these types of contacts with taxpayers.

The TRAO provides assistance to taxpayers, the county, and Board staff to facilitate better communication between parties and eliminate potential misunderstandings. Taxpayers are provided information on policies and procedures so they can be better prepared to discuss and resolve their issues.

STATUS OF ISSUES IDENTIFIED AT PREVIOUS PROPERTY TAXPAYERS' BILL OF RIGHTS ANNUAL HEARINGS

The following issues were identified in previous annual hearings held in Culver City and Sacramento. As a result of the Board's direction during the hearings, staff addressed these issues.

Certified Mailings of Supplemental

Assessments and Tax Liens: A recommendation was made that special notices, such as supplemental assessments and tax liens, should be sent by certified mail. This would both assure that the taxpayer receives the notice and give the county proof of mailing.

Little support for this suggestion was received. The primary concern was the additional expense incurred by the counties. If the requirement were mandated by the Legislature, the additional cost of administration would likely require reimbursement by the state general fund.

County Assessor Use of Confidential Third-Party Information During an Assessment Appeals Board Hearing:

Current law [Revenue and Taxation Code section 408 (e) (3)] allows the county assessor to use confidential third-party information during an assessment appeals board hearing. Oftentimes, the taxpayer is unaware that the information will be used and, because it is confidential, has no access to the information. The taxpayer currently bears the burden of applying to the court for an order authorizing disclosure. Part of the issue is timeliness — depending upon when they learn about the use of the data, the property owner (or representative) may not have sufficient time to seek that court order.

The suggestion was made that if the county assessor intends to use confidential third party information during a board of

equalization or assessment appeals board hearing, the assessor should bear the burden of applying to the court for an order authorizing disclosure.

Legislation will be proposed to provide the taxpayer the opportunity to obtain the authority required to examine otherwise confidential third-party information being used by the county assessor's office during an equalization hearing.

ACCOMPLISHMENTS

Two primary functions of the TRAO are to:

- 1. Ensure fair and equitable treatment of all taxpayers in the assessment and collection of taxes.*
- 2. Identify changes in policies, procedures, regulations, and statutes that will enhance taxpayer communication and compliance and improve the relationship between taxpayers and government.*

As a result of specific contacts with taxpayers and local government authorities, suggestions are developed and considered. With the cooperation and assistance of Board staff, other state agencies, and county government officials, the following was accomplished this past year.

Assessment Appeals: Recent law changes, including the extension of the period for filing an application for an assessment reduction, required revisions in both forms and publications. The Property Taxes Department again took the lead in revising the Application for Changed Assessment form, BOE-305-AH, and Publication 30, Residential Property Assessment Appeals, working with the County Clerks Association, the TRAO Office, the Legal Division, and other interested parties. The revised form and publication better informs taxpayers of their rights, the assessment appeals process, their option to claim a refund, and the proper way to complete the form.

Taxpayer Contacts: TRAO responded to 152 individual property taxpayers. [Also see “Taxpayers Contacts with TRAO” on page 9 and Appendix B that displays the types of contacts received and the counties from which they came.]

Revision Efforts: The TRAO participated with the Board’s Property Taxes Department as they coordinated efforts to include industry

representatives and county assessors in the revisions of various laws, rules, and handbooks.

Media Outreach: The TRAO worked with the Mass Communications Section and the Media Relations Officer, using the media to inform taxpayers of various critical property taxes assessment dates and provide them information throughout the year, including the extension of the appeals filing deadline in the aftermath of the September 11, 2001, terrorist attacks.

CURRENT ISSUES

In coordination with program and legal staff, other state agencies, and local government officials, solutions are being developed to address the following issues identified in last year's Property Taxpayers' Bill of Rights Annual Report.

“Proposition 13” Reappraisal Exclusions — Missed Filing Period: Subsequent to the 1978 approval of Proposition 13, which added Article XIII A to California's Constitution, the Legislature placed fourteen propositions on the ballot amending Article XIII A, all of which were approved by the voters. Many of these amendments exclude some class of property owners from reappraisal following a change in ownership or new construction, but all contain required filing deadlines in their implementing statutes (legislation).

Excluded changes in ownership and new construction may include transferring a base year value to a replacement property for:

- senior citizens buying or building a new home;
- severely disabled homeowners acquiring a new dwelling;
- property owners acquiring property after being displaced by governmental action or eminent domain proceedings;
- victims acquiring a comparable property to one destroyed or substantially damaged by a disaster;
- certain “qualified” contaminated property.

Other excluded changes in ownership may include transfers:

- between spouses, and some former spouses;
- of a home between parents and their children;

- of \$1 million of property between parents and their children;
- between grandparents and grandchildren in some cases.

Excluded new construction may include:

- work necessary to comply with local seismic safety ordinances;
- seismic retrofitting improvements and improvement utilizing earthquake hazard mitigation technologies;
- fire detection and extinguishing systems and fire-related egress improvement;
- an active solar energy system;
- work for the purpose of making a dwelling more accessible to a severely disabled person;
- work for the purpose of making a building more accessible to a disabled person;
- construction of a property comparable to one destroyed or substantially damaged by a disaster.

These Constitutional amendments required the Legislature to work on the details of the exclusion. In many instances the Legislature has required that the claim be filed within three years of the excludable event. When the exclusion is granted the lower value is enrolled and appropriate refunds may be claimed. [See Chapters 2 and 3 of Part 0.5 of Division 1 of the Revenue and Taxation Code.]

For someone who is knowledgeable about ad valorem property taxation in California, three years does not seem like an unreasonable period of time. However, through numerous phone calls and other contacts, the TRA Office, Property Taxes Department, and assessors are hearing that many homeowners have not learned that they could have retained a lower base year value, until five or

ten years after the event which would have allowed the exclusion. Examples include the homeowner who sells one home and buys another home for retirement; one who makes modifications to a home so a handicapped spouse can still live in it; or another who buys the family home from the parent(s). There is no provision allowing taxpayers who find themselves in this situation to make a late claim, and at least prospectively receive the benefits to which they had been entitled.

In 1997, the parent-child and the grandparent-grandchild exclusions were amended to permit filing past the three-year period and allowing prospective relief, where the property hadn't subsequently transferred to a third party. This change became effective January 1, 1998. The Board is required by law to track parent-child exclusions; the 1997 change has not resulted in any significant increased administrative costs.

Queries and complaints continue to surface regarding the filing time period for the other exclusions. Assessors forward calls to us, as do legislators. This past year the Board worked with the California Assessors' Association to develop legislative changes.

This year the TRA Office will develop a legislative proposal to change the filing period for Revenue and Taxation Code section 69.5, and under certain circumstances allow prospective relief for late-filed claims by senior citizens and disabled persons to transfer their base year value to a replacement dwelling. This appears to be the area of greatest concern, behind the parent-child exclusion, which, as noted above, has already been corrected. Other change in ownership and new construction exclusions will also be reviewed for possible amendments of those statutes.

Grandparent-Grandchild Exclusion:

Proposition 193, approved March 26, 1996, added subsection (2) to subdivision (h) of section 2 of Article XIII A of the California Constitution. This part of "Proposition 13" provides that certain transfers between grandparents and their grandchildren, as defined by the Legislature [See Revenue and Taxation Code section 63.1.], may be excluded from causing a change in ownership reappraisal. The grandparent-grandchild exclusion only applies if all the parents of the grandchild(ren) who qualify as children of the grandparent(s) are deceased as of the date of the change in ownership.

Proposition 193 was an extension of Proposition 58, which first added subdivision (h) to section 2 of Article XIII A when it was approved November 4, 1986. It provides that certain transfers between parents and their children, as defined by the Legislature, may be excluded from change in ownership. For these exclusions the Legislature determined in Revenue and Taxation Code section 63.1, that, in certain circumstances, "children" includes adopted children, stepchildren, daughter-in-laws, and son-in-laws.

The TRA and the Property Taxes Department have received calls from county assessors' offices requesting advice on the availability of the exclusion where grandchildren who didn't know their birth parents were raised by grandparents who fully assumed parental responsibility, and it only seemed fair to grant the Proposition 193 exclusion. Perhaps the absent birth parent(s) were deceased, but had married, and a stepparent was still alive. The counties could not grant the grandparent-grandchild exclusion, because of the statutory definition of "parent" and "child" in Revenue and Taxation Code 63.1.

The broad definition of "children" works to the benefit of those claiming the parent-child

exclusion, but it works against the claimants of the grandparent-grandchild exclusion. The legislative advocates of Proposition 193 intended that it permit property to be transferred from grandparents to their own grandchildren only in cases where both parents are deceased. They did not consider that the broad definition of “parents” included more than the birth or adoptive parents.

Last year there were two legislative proposals that would have amended the grandparent-grandchild exclusion. Assembly Constitutional Amendment 18, introduced by Assembly Member Wiggins, would have expanded the grandparent-grandchild exclusion to include any transfer where the grandchild was developmentally disabled. Assembly Constitutional Amendment 19, introduced by Assembly Member Nation, would have also expanded the exclusion, by removing the requirement that the parents of the grandchild be deceased. In discussions with the California Assessors’ Association it was jointly agreed to wait for the outcome of these Assembly proposals before pursuing legislation.

The proposed constitutional amendments did not leave the Assembly. Work continues with the California Assessors’ Association to develop a legislative solution that will at least partly alleviate this problem, by tightening up the definition of “parent” for purposes of the grandparent-grandchild exclusion.

Exclusion or Exemption Denial Notification: Some taxpayers complained that they had requested the transfer of a base year value or homeowners’ exemption, but were never notified that the request had been denied. The claim may have been because the transfer was between parent and child, because they were senior citizens transferring a base year value to a replacement property, or because they were reconstructing property after a disaster. Because they did not receive a notice of denial, they assumed the exclu-

sion or exemption had been granted. When they received the tax bill and discovered that they had not received the benefit, it may have been too late to do anything for that year, or to get the full exemption or exclusion.

The California Assessors’ Association has offered to assist with developing an administrative, regulatory, or legislative solution.

Value Restorations and Proposition 8

Litigation: TRA0 continues to receive calls from persons interested in the Bezaire-Pool 2% case in Orange County. Two other county courts have reached a decision opposite that of Judge Watson. That is, they held that the two percent limitation on annual value increases imposed by Article XIII a applies only to base year value increases and not to increases in value when the county assessor has enrolled the Proposition 8 value, i.e., the lesser fair market value.

The TRA0 will continue to explain the law and the courts’ decisions to taxpayers, and advise them to file a claim for refund if they believe the application of the Bezaire-Pool decision to their property would result in a lowering of their assessed value.

TRA0 will work with the Orange County Assessor, Orange County Clerk of the Board, Property and Special Taxes Department, and Customer and Taxpayer Services Division, to determine the best way to keep the public informed of the Bezaire-Pool appeal. Options under consideration include adding this issue to the Frequently Asked Questions (FAQs) on the Board’s Web site, future press releases, and a Letter to Assessors (LTA).

EMERGING ISSUES

As a result of taxpayer contacts and review of issues, policies, procedures, and trends, both within the Board and at the local (county) level, the TRA0 recommends consideration of the following areas of opportunity to produce greater clarity and uniformity.

Assessor Base Year Value Corrections:

The assessor can enroll escape assessments at any time. Specific statutes of limitation provisions allow the enrollment of four or more years of escapes. Revenue and Taxation Code section 51.5 allows the assessor to correct an error or omission in the determination of a base year value in any assessment year in which it is discovered whether or not the error involved value judgment. Errors or omissions resulting from the exercise of value judgment must be corrected within four years. However, on occasion, the county assessors discover value judgment errors more than four years down the road that would lower the taxpayers' base year value.

TRA0 will work with the Legislative Division to modify the Revenue and Taxation Code, allowing the county assessor to make a correction that would lower the assessed value at any time an error or omission is discovered, whether or not the error involved value judgment. There should be no application form to be filed and no appeals procedure to go through. If the county assessor discovers an error or omission has been made that would lower the property value, whether or not a taxpayer has pointed out the problem, the county assessor can make the correction. If the correction is made during the statutory periods already specified in Revenue and Taxation Code (see section 51.5, for instance), refunds may be applicable. Beyond those periods, the lower value would only be applied prospectively.

Value Corrections after a Local Board of Equalization or Assessment Appeals

Board Decision: If a local board of equalization or assessment appeals board has established the assessed value, the county assessor cannot change it, the local board cannot re-hear it, and the taxpayers only recourse is to go to court. Examples include situations where additional evidence of value may have been discovered after the board set the value. Or perhaps there was more contamination than the buyer knew about when they purchased the property, and a court ordered the seller to make restitution when it was discovered that the value was less than the purchase price. The problem occurs infrequently, but when it does it is only fair to have a more expedient remedy available than filing a claim for refund with the board of supervisors and then filing an action in superior court.

TRA Office will develop legislation that would allow the county assessor, with the local board's approval, to reduce the value in circumstances where there is new evidence indicating that the property had declined below the value established by the local board at the time of its decision.

Full Homeowners' Exemption for Land in a Resident-Owned Mobilehome Park:

There are situations where manufactured housing owners in a resident-owned park may not get the full \$7,000 homeowners' exemption. This happens in those resident-owned parks where the land is not held in the name of the manufactured home owner, but instead in the name of a corporation, and an ownership interest in the corporation includes the right to occupy a specific space in the park. In this situation:

- If the value of the manufactured home is less than \$7,000 the unused amount of the exemption cannot be applied to the land.
- If the manufactured home is licensed, the \$7,000 exemption cannot be applied to the land.

TRAO will work on a legislative solution in conjunction with recent advice and court decisions related to the exemption.

Possessory Interest Assessments: In some instances state park rangers, CalTrans workers, and others, pay possessory interest assessments on two homes, even though they are only living in one. For instance, park rangers who are required to live in state housing in the park where they are working may be transferred from one park to another. The ranger may have a possessory interest assessment for the next tax year on the home they lived in on the lien date, and a second possessory interest, along with a supplemental assessment, on the new home they moved to after the lien date.

- The Department of Fish and Game reimburses their wardens for possessory interest payment.
- CalTrans pays the possessory interest taxes for lessees when the leased property is being held for future state highway needs. (Streets and Highways Code section 104.13)
- The Board staff has determined that University of California housing at agricultural field stations can be “not taxable” if the employee’s occupancy is “reasonably necessary” or incidental to an educational purpose. (Annotation 660.0340)
- In 2000, AB 1966 was enacted to eliminate supplemental assessments on certain month-to-month possessory interests and address the perceived inequity that occurs when a possessory interest is terminated after the lien date and the taxpayer is

responsible for taxes on two separate possessory interest assessments.

Board staff has addressed a somewhat similar issue where a lease was terminated, the value was based on a longer term, and the taxpayer filed an assessment appeal (Annotation 660.0320). In these situations above, the value may be reduced and the taxpayer could file a claim for refund. Other solutions may include authorizing the supplemental assessment on the “new” housing to be adjusted or cancelled, that is, do not make a supplemental assessment at the beginning of the occupancy, recognizing that the taxpayer will have to pay taxes after the possession is terminated.

TRAO will explore possible regulatory or statutory changes to remedy this inequity.

Supplemental Assessments: Taxpayers should anticipate tax bills, and therefore are liable whether or not they receive notice. But supplemental assessments fall outside the normal flow of the property taxes calendar. In situations where the county takes more than a year to process a supplemental assessment, and the property owner has sold the property and moved, the taxpayer may not learn about the supplemental assessment for years — perhaps when they are checking their credit or trying to obtain a new mortgage, and find a tax lien on their credit report.

TRAO will work with the California Assessors’ Association, the State Controller’s Office, and others, to discover possible solutions for this type of supplemental assessment problem.

TAXPAYER CONTACTS WITH TAXPAYERS' RIGHTS ADVOCATE OFFICE (TRAO)

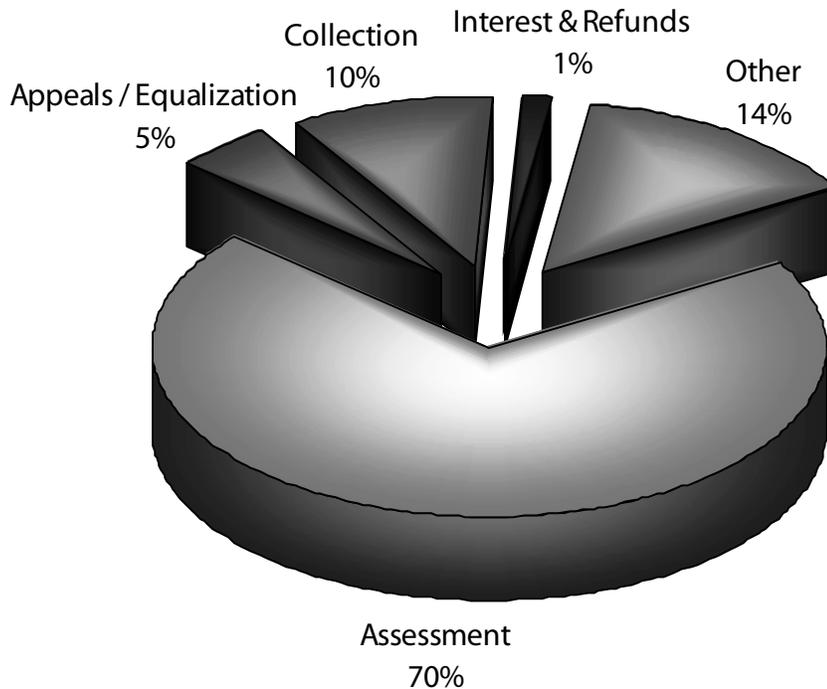
The TRAO assisted 152 individual property taxpayers and representatives last year. All contacts with taxpayers and their representatives are important and contribute to better understanding and improvement of the property taxation system. These contacts offer the opportunity to review a given specific situation — a situation that is sometimes

indicative of a more global statewide issue which needs to be addressed through changes in the law, rules, policies, or procedures.

The following chart provides a breakdown of last year's contacts.

Local county assessment offices (assessors, clerks for assessment appeals boards and

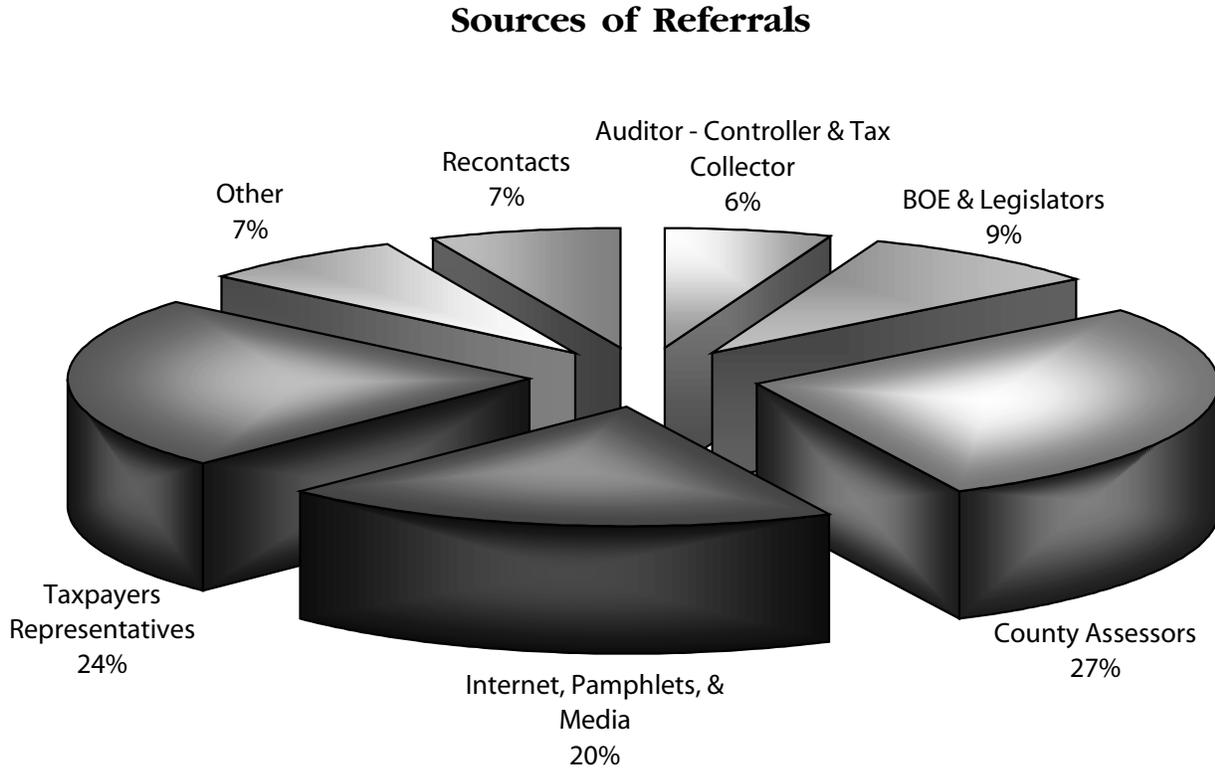
Types of Issues



local boards of equalization, auditor-controllers, and tax collectors) referred many of these contacts to the TRAO. These local officials recognize the role of the TRAO in

“... the promotion of enhanced understanding regarding the property tax system” [The Morgan Property Taxpayers’ Bill of Rights, R&T § 5901(a)].

The following chart shows the sources of referrals to TRAO:



Sometimes the assessor, tax collector, or auditor-controller's office will refer the taxpayer to the TRAO so the taxpayer and/or their representative is provided an unbiased independent review of their situation. On a few occasions the person calling was concerned about the fairness of treatment they received from the assessment office(s). The officials in charge of these offices are concerned with taxpayer service, and the potential lack of professional treatment, so they are very anxious to correct perceived inadequacies. When they refer someone to the TRAO or when a contact calls directly, the taxpayer will either receive an affirmation of the local policy or procedure, or the local official will

receive feedback from the TRAO regarding possible improvements in their operations to make them more "taxpayer friendly," or the TRAO will offer suggestions for the correction or resolution of errors and other problems.

Calls are also received from people who have learned about the TRAO from the media, a library, or another state agency. They may be concerned about the fairness of the treatment they received from an assessment office. In addition to working with the person, the TRAO contacts the office involved in order to help the taxpayer resolve the problem, when possible.

APPENDICES

A — Differences between Business and Property Taxpayers' Bills of Rights

A major difference between the Business Taxpayers' Bills of Rights and the Property Taxpayers' Bill of Rights is in the resolution of taxpayer complaints. The Board of Equalization is the agency responsible for assessing and collecting business taxes. The Executive Director has administrative control over the functions, staff, and their actions. The Advocate reports directly to the Executive Director and is separate from the business and property taxes line programs.

When taxpayers' complaints about the Board of Equalization business taxes programs are received in the TRAO, the Advocate and her staff have direct access to all the documents and Board staff involved in the taxpayers' issues. The Advocate and her staff are liaisons between the taxpayers and the Board program staff to solve the problems. In the area of levies, for example, the Advocate has the ability to stay collection and to order the release of levy and the refund of up to \$1,500 upon finding that the levy threatens the health or welfare of the taxpayer or his or her spouse and dependents or family. If the Advocate disagrees with other actions of the staff and is unable to resolve the situation satisfactorily, the issue is elevated to the Executive Director for resolution. The Executive Director then has the authority to overturn the actions of the staff.

However, in responding to property taxpayers' complaints, the Advocate typically has no direct access to the taxpayers' documents. Each of the 58 counties maintains their own records. The Advocate and her staff work with county assessors, tax collectors, and auditor-controllers (most of whom are elected officials), plus clerks to the county boards of

supervisors. The Morgan Property Taxpayers' Bill of Rights provides the Advocate with broad oversight, but there is no authority to mandate or overturn local actions. So far, however, the Advocate has been successful in soliciting cooperation and possible change with these local county officials.

B — Table of Contacts Received, By County and By Office

County	Appeals &					TOTAL
	Assessor	Equalization Boards	Tax Collector	Auditor-Controller	Other	
Alameda	1					1
Alpine	1					1
Contra Costa	1					1
Glenn			1			1
Humboldt	1					1
Imperial	3	1				4
Kern	2		1			3
Lassen	1					1
Los Angeles	15	1	2			18
Marin	4					4
Mendocino	4					4
Merced	1					1
Modoc	1		1			2
Mono	2					2
Monterey	1					1
Napa	3					3
Orange	2					2
Placer	7	1				8
Plumas	1					1
Riverside	4		1	1		6
Sacramento	3		1			4
San Bernardino	5		1			6
San Diego	10	2				12
San Francisco	6		2	1		9
San Joaquin	1					1
San Luis Obispo	3	2				5
San Mateo	2					2
Santa Barbara	2					2
Santa Clara	4		1			5
Santa Cruz			2			2
Shasta	2		1			3
Solano	3					3
Stanislaus	2					2
Ventura	3					3
Yolo	1					1
County Unknown	3		1			4
Statewide ¹	1					1
BOE ²					6	6
FTB/SCO ³					9	9
Bill of Rights ⁴					7	7
TOTALS:	106	7	15	2	22	152

¹ Contact raised question or issue that went beyond one particular county.

² Property Taxes Department contacts included questions about mapping and timber taxes.

³ Most of these were property tax assistance or postponement questions.

⁴ Questions about the Morgan Property Taxpayers' Bill of Rights.

C — The Morgan Property Taxpayers’ Bill of Rights **[Revenue and Taxation Code Sections]**

5900. This part shall be known and may be cited as “The Morgan Property Taxpayers’ Bill of Rights.”

5901. The Legislature finds and declares as follows:

- (a) Taxes are a sensitive point of contact between citizens and their government, and disputes and disagreements often arise as a result of misunderstandings or miscommunications.
- (b) The dissemination of information to taxpayers regarding property taxes and the promotion of enhanced understanding regarding the property tax system will improve the relationship between taxpayers and the government.
- (c) The proper assessment and collection of property taxes is essential to local government and the health and welfare of the citizens of this state.
- (d) It is the intent of the Legislature to promote the proper assessment and collection of property taxes throughout this state by advancing, to the extent feasible, uniform practices of property tax appraisal and assessment.

5902. This part shall be administered by the board.

5903. “Advocate” as used in this part means the “Property Taxpayers’ Advocate” designated pursuant to Section 5904.

5904. (a) The board shall designate a “Property Taxpayers’ Advocate.” The advocate shall be responsible for reviewing the adequacy of procedures for both of the following:

- (1) The distribution of information regarding property tax assessment matters between and among the board, assessors, and taxpayers.

- (2) The prompt resolution of board, assessor, and taxpayer inquiries, and taxpayer complaints and problems.

- (b) The advocate shall be designated by, and report directly to, the executive officer of the board. The advocate shall at least annually report to the executive officer on the adequacy of existing procedures, or the need for additional or revised procedures, to accomplish the objectives of this part.
- (c) Nothing in this part shall be construed to require the board to reassign property tax program responsibilities within its existing organizational structure.

5905. In addition to any other duties imposed by this part, the advocate shall periodically review and report on the adequacy of existing procedures, or the need for additional or revised procedures, with respect to the following:

- (a) The development and implementation of educational and informational programs on property tax assessment matters for the benefit of the board and its staff, assessors and their staffs, local boards of equalization and assessment appeals boards, and taxpayers.
- (b) The development and availability of property tax informational pamphlets and other written materials that explain, in simple and nontechnical language, all of the following matters:
 - (1) Taxation of real and personal property in California.
 - (2) Property tax exemptions.
 - (3) Supplemental assessments.
 - (4) Escape assessments.
 - (5) Assessment procedures.

-
- (6) Taxpayer obligations, responsibilities, and rights.
 - (7) Obligations, responsibilities, and rights of property tax authorities, including, but not limited to, the board and assessors.
 - (8) Property tax appeal procedures.

5906. (a) The advocate shall undertake, to the extent not duplicative of existing programs, periodic review of property tax statements and other property tax forms prescribed by the board to determine both of the following:

- (1) Whether the forms and their instructions promote or discourage taxpayer compliance.
- (2) Whether the forms or questions therein are necessary and germane to the assessment function.

(b) The advocate shall undertake the review of taxpayer complaints and identify areas of recurrent conflict between taxpayers and assessment officers. This review shall include, but not be limited to, all of the following:

- (1) The adequacy and timeliness of board and assessor responses to taxpayers' written complaints and requests for information.
- (2) The adequacy and timeliness of corrections of the assessment roll, cancellations of taxes, or issuances of refunds after taxpayers have provided legitimate and adequate information demonstrating the propriety of the corrections, cancellations, or refunds, including, but not limited to, the filing of documents required by law to claim these corrections, cancellations, or refunds.

(3) The timeliness, fairness, and accessibility of hearings and decisions by the board, county boards of equalization, or assessment appeals boards where taxpayers have filed timely applications for assessment appeal.

(4) The application of penalties and interest to property tax assessments or property tax bills where the penalty or interest is a direct result of the assessor's failure to request specified information or a particular method of reporting information, or where the penalty or interest is a direct result of the taxpayer's good faith reliance on written advice provided by the assessor or the board.

(c) Nothing in this section shall be construed to modify any other provision of law or the California Code of Regulations regarding requirements or limitations with respect to the correction of the assessment roll, the cancellation of taxes, the issuance of refunds, or the imposition of penalties or interest.

(d) The board shall annually conduct a public hearing, soliciting the input of assessors, other local agency representatives, and taxpayers, to address the advocate's annual report pursuant to Section 5904, and to identify means to correct any problems identified in that report.

5907. No state or local officer or employees responsible for the appraisal or assessment of property shall be evaluated based solely upon the dollar value of assessments enrolled or property taxes collected. However, nothing in this section shall be construed to prevent an official or employee from being evaluated based upon the propriety and application of the methodology used in arriving at a value determination.

5908. Upon request of a county assessor or assessors, the advocate, in conjunction with any other programs of the board, shall assist assessors in their efforts to provide education and instruction to their staffs and local taxpayers for purposes of promoting taxpayer understanding and compliance with the property tax laws, and, to the extent feasible, statewide uniformity in the application of property tax laws.

5909. (a) County assessors may respond to a taxpayer's written request for a written ruling as to property tax consequences of an actual or planned particular transaction, or as to the property taxes liability of a specified property. For purposes of statewide uniformity, county assessors may consult with board staff prior to issuing a ruling under this subdivision. Any ruling issued under this subdivision shall notify the taxpayer that the ruling represents the county's current interpretation of applicable law and does not bind the county, except as provided in subdivision (b).

(b) Where a taxpayer's failure to timely report information or pay amounts of tax directly results from the taxpayer's reasonable reliance on the county assessor's written ruling under subdivision (a), the taxpayer shall be relieved of any penalties, or interest assessed or accrued, with respect to property taxes not timely paid as a direct result of the taxpayer's reasonable reliance. A taxpayer's failure to timely report property values or to make a timely payment of property taxes shall be considered to directly result from the taxpayer's reasonable reliance on a written ruling from the assessor under subdivision (a) only if all of the following conditions are met:

(1) The taxpayer has requested in writing that the assessor advise as to the property tax consequences of a particular transaction or as to

the property taxes with respect to a particular property, and fully described all relevant facts and circumstances pertaining to that transaction or property.

(2) The assessor has responded in writing and specifically stated the property tax consequences of the transaction or the property taxes with respect to the property.

5910. The advocate shall, on or before January 1, 1994, make specific recommendations to the board with respect to standardizing interest rates applicable to escape assessments and refunds of property taxes, and statutes of limitations, so as to place property taxpayers on an equal basis with taxing authorities.

5911. It is the intent of the Legislature in enacting this part to ensure that:

- (a) Taxpayers are provided fair and understandable explanations of their rights and duties with respect to property taxation, prompt resolution of legitimate questions and appeals regarding their property taxes, and prompt corrections when errors have occurred in property tax assessments.
- (b) The board designate a taxpayer's advocate position independent of, but not duplicative of, the board's existing property tax programs, to be specifically responsible for reviewing property tax matters from the viewpoint of the taxpayer, and to review and report on, and to recommend to the board's executive officer any necessary changes with respect to, property tax matters as described in this part.