

Memorandum

To: Mr. James E. Speed
Executive Director

Date: May 6, 2003



From: David J. Gau, Deputy Director
Property and Special Taxes Department

Subject: ***Proposed Special Topic Survey***
(May 28, 2003 – Administrative Consent Agenda)

As you are aware, the Board is required by law to periodically audit the assessment programs of each of the 58 California counties. The results and recommendations arising from these field and office audits are published in assessment practices survey reports. In addition, the Board makes periodic statewide surveys limited in scope to specific topics, issues, or problems affecting local property taxation. These special topic surveys, authorized by sections 15640 and 15643 of the Government Code, may be conducted whenever the Board determines that a need for one exists. The findings of these selective surveys are published and distributed to the Legislature, the Members of the Board, and all county assessors.

The Property and Special Taxes Department has identified two assessment areas that currently appear to have either a lack of uniformity or administrative problems among the counties. These assessment areas are (1) property that has had a change in ownership or control, and (2) newly constructed property and property under construction. Consequently, staff recommends that we conduct a special topic survey covering these topics. The primary source of information for the special topic survey will be a questionnaire.

The proposed objectives of the special topic survey are, in part, to:

- Summarize in one report the practices and procedures used by counties in identifying transfers that result in a change in ownership or are excluded, transfers between legal entities, tracking joint tenancy transfers, and documenting taxpayer and legal entity reporting requirements.
- Gather information relating to how counties discover new construction, assess construction in progress on the lien date, identify property excluded from new construction reassessment, and determine what constitutes new construction under the law.

The prior special topic surveys conducted on newly constructed property and property that has changed ownership or control were conducted in 1982 and 1984, respectively. Since those surveys, numerous pertinent statutory changes have occurred, and the Board has adopted or

amended 19 applicable Property Tax Rules. The special topic survey will enable Board staff to compile and publish current information about statewide assessment practices in the areas of change in ownership and new construction.

Please place the proposed special topic survey on the Board's May 28, 2003 Administrative Consent Calendar for approval.

DJG:sk

cc: Ms. Deborah Pellegrini

Approved: _____


James E. Speed, Executive Director

BOARD APPROVED

At the _____ Board Meeting

Deborah Pellegrini, Chief
Board Proceedings Division