180.0050

(916) 323-7711

June 28, 1982

Parcel Number 001-18-0-007-0

Dear Jack:

This letter is in response to your letter of May 19, 1982 concerning the base year value dispute on parcel number 001-18-0-007-0. The facts as explained in your letter and the Residential Property Appraisal Record which you forwarded are as follows.

1. In January 1976, the taxpayer purchased the property for $65,000. The property was appraised in April 1976 for $53,700 under a general review. The taxpayer disputed this value and after further review, the appraiser reduced the value to $47,700 in June 1976.

2. In June 1978, your office did an office review of properties which had changed ownership subsequent to March 1, 1975 in order to determine the value of such properties under Proposition 13. Pursuant to the review, the value on the property was set at $67,600. In August 1978, your office discovered that a barn built by the taxpayer was secured to the wrong parcel. With the addition of the barn, the property was appraised at $80,600. The taxpayer objected to this value and after reviewing the file, the appraiser reduced the 1978 value to $62,600 in November 1978.

3. The $62,600 value was factored forward for 1979 and 1980.

4. On the March 1981 lien date your office appraised a newly constructed garage on the property. The value assigned to the garage was $28,890.

On May 14, 1982, the taxpayer called to complain that: (1) the 1978 base year value of the property should be the 1976 appraised value of $47,700; (2) the value assigned to the barn was too high; and, (3) the value assigned to the garage was too high. You request our advice on how to respond to these complaints. Our analysis of the foregoing sequence of events is as follows.

After passage of Proposition 13, your office reappraised the subject property because it had changed ownership subsequent to March 1, 1975. It is our position that this was in accordance with Article XIII A of the California Constitution and Revenue and Taxation Code, Section 110.1(2) which required the assessor to prepare the tax roll for the 1978-79 year using the amount the assessor found to be the fair market value at the time of sale of properties which had changed ownership after March 1, 1975. After the taxpayer objected to the value placed on the property, the appraiser reviewed the file and reduced the 1978 base year value. The reduction was in accordance with Revenue and Taxation Code, Section 4843 which allowed the assessor to make corrections to the 1978-79 roll during the fiscal year without a prior hearing or prior approval of the board of supervisors. Therefore, the base year value of the property is $62,600. If, after the reduction, the taxpayer had still wanted to contest the base year value, Revenue and Taxation Code, Section 80(a)(3) provides that an application for equalization must be filed during the regular equalization period for the year in which the assessment is placed on the roll or in any of the three succeeding years. Therefore the taxpayer had until September 15, 1981 to file an application for equalization. Since the taxpayer did not file an application for equalization, $62,600 is conclusively presumed to be the base year value of the property, including the barn. (Rev. & Tax. Code, Sec. 80(a)(3).)

The taxpayer may still contest the value of the garage for the 1982-83 tax year. He must file an application for equalization before September 15, 1982. Any reduction in assessment made as a result of an appeal will apply only for the assessment year in which the appeal is taken and for the following years. (Rev. & Tax. Code, Sec. 80(4).) Therefore, if the Board of Supervisors does lower the base year value of the garage, the taxpayer cannot claim a refund for the 1981-82 year. After September 15, 1984, $28,890 will be conclusively presumed to be the value of the garage and the matter will no longer be open for appeal.

If you have any questions or if you wish to discuss this further, please contact us.

Very truly yours,

Michele F. Hicks
Tax Counsel

MFH:fr

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Legal Section