

500.0000 HISTORICAL PROPERTY

See Land Use Restrictions

500.0005 Change in Ownership/New Construction. The value of an historical property for annual assessment purposes is the lowest of the base year value factored for inflation, the current market value, or the value determined pursuant to Revenue and Taxation Code section 439.2. In determining base year values, changes in ownership and new construction values must be taken into account in order to make the necessary comparison of values. C 2/13/2001.

500.0008 Conservation Easement. The valuation standards of Revenue and Taxation Code section 439.2 may only be applied if the historical property contracts setting forth an enforceable restriction are signed, accepted and recorded on or before the lien date for the fiscal year in which the valuation would apply. Since the requirements for a conservation easement based on historical factors are not as extensive as the requirements for an historical property contract, the fact that a conservation easement was recorded does not serve to meet the requirements of Revenue and Taxation Code section 439.4. This is true even though conservation easements based on historical factors are valued pursuant to Revenue and Taxation Code section 402.1 once the conservation easement is recorded. C 9/21/95.

500.0030 New Construction. Revenue and Taxation Code section 439.1 specifies that "restricted historical property" that qualifies for restricted valuation under section 439.2 means qualified historical property under Government Code section 50280.1 subject to a historical property contract. Under section 50280.1, a "qualified historical property" is privately owned property which is not exempt from taxation and is listed either in the National Register of Historic Places or in any local official register of historical or architecturally significant sites or is located in a registered historic district. The subject property was described in the historical property contract as "a building, structure, object, site or district as defined in National Register Bulletin 15" under the governing local ordinance. Section IV of the National Register Bulletin 15 specifies that buildings eligible for the National Register must include all their basic structural elements. A newly constructed building, such as a garage, that does not include the basic structural elements of an existing historical building does not qualify as enforceably restricted historical property subject to valuation under Revenue and Taxation Code section 439.2. C 8/3/2004.

500.0040 Supplemental Assessments. Revenue and Taxation Code section 50 requires county assessors to establish new base year values for enforceably restricted historical property upon a change in ownership. However, the establishment of those new base year values merely enables the assessor to perform the three-way value comparison prescribed by Revenue and Taxation Code section 439.2(d) and to calculate the assessed values of historical property should the Mills Act contract enter nonrenewal status (section 439.3). Since the assessments of enforceably restricted historical properties are governed by article XIII, section 8 of the California Constitution, Revenue and Taxation Code section 75.14 precludes assessors from enrolling supplemental assessments for enforceably restricted historical properties upon a change in ownership. C 11/13/2003.

500.0050 Valuation. Historical properties are valued pursuant to Article 1.9 (commencing with section 439) of Chapter 3 of Part 2 of the Revenue and Taxation Code. When restrictions are cancelled or terminated by nonrenewal, the full cash value is the taxable value that would have applied to a property had it not been restricted. In most cases, this will be the 1975 base year value (appropriately factored) or a subsequent base year value

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(appropriately factored), should the property change ownership. The exception occurs when the current market value is less than the factored base year market value. In this instance, the current market value will be used. LTA 10/19/79 (No. 79/187).

500.0051 **Valuation.** A property that qualifies as an historical property as defined in Government Code section 50280.1 and that is subject to an historical property contract pursuant to other specified sections of that code is "enforceably restricted" and must be valued using the capitalization of income method specified in Revenue and Taxation Code sections 439.2 or 439.3. The historical property contract must be signed, accepted and recorded on or before the lien date of the fiscal year for which the valuation would apply. C 9/19/88.