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bc: Mr. Gordon P. Adel
Mr. Robert H. Gustafson
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Legal Section

(916) 445-4588

December 2, 1982

Mr. Charles R. Mack
Yolo County Counsel
Room 103, Courthouse
P. O. Box 127
Woodland, CA 95695

Attention: Mr. Harry D. Roth
Deputy

Dear Mr. Roth:

Assessor's Audit under Section 469 of the Revenue and Taxation Code

This is in response to your letter dated September 29, 1982, to Chief Counsel James Delaney in which you ask if the county assessor is mandated to perform an audit under Section 469 of the Revenue and Taxation Code if the property changes ownership within the statutory four-year period.

While recognizing the able argument set forth in your letter, we nevertheless believe that when the change in ownership involves a continuation of essentially the existing profession, trade, or business then the assessor would be well advised to perform a Section 469 audit under his Section 454 powers. It appears to us that the intent of Section 469 is to perform audits on properties of a particular "full value" size rather than intended to be performed on "owners" of such property. In other words, it is not the owner that could be escaping an assessment, but the property that is escaping the assessment.

On the other hand, if a business is totally dissolved and the property sold and dispersed, then the intervening act of sale would appear to obviate the mandate to perform a Section 469 audit. In that case, there is no risk that an ongoing property of $200,000 size will continue to escape taxation.

Very truly yours,

Glenn L. Rigby
Assistant Chief Counsel

GLR:jlh