



STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)
(916) 445-4982

GEORGE R. REILLY
First District, San Francisco
ERNEST J. DRONENBURG, JR.
Second District, San Diego
WILLIAM M. BENNETT
Third District, San Rafael
RICHARD NEVINS
Fourth District, Pasadena
KENNETH CORY
Controller, Sacramento
DOUGLAS D. BELL
Executive Secretary
No. 82/139

December 17, 1982

TO COUNTY ASSESSORS:

RECENT MOBILEHOME LEGISLATION

Since the inception of the mobilehome reinstatement program enacted by AB 1400 (Chapter 40, Statutes of 1982), the options available to mobilehome owners have been increased by two other recently approved measures. These bills are SB 1343, Chapter 1395 of the Statutes of 1982, which the Governor approved on September 24, 1982; and AB 3382, Chapter 1465, which he approved on September 27, 1982.

SB 1343

This bill adds Section 10760 to the Revenue and Taxation Code to provide for penalty-free reinstatement to license fee status for mobilehomes whose license fee became delinquent between July 1, 1980 and March 1, 1982. This "waiver of delinquency" program, which is being administered by the Department of Housing and Community Development (HCD), has three main elements, explained in the following paragraphs.

Waivers are possible only for license fee delinquencies that occurred between July 1, 1980 and March 1, 1982. The earliest expiration date that qualifies is June 30, 1980; the latest is February 28, 1982.

Either the delinquent license fee or current installment of property taxes due for the mobilehome must have been paid. If the mobilehome owner has paid the first installment of 1982-83 taxes due for the mobilehome and files a waiver of delinquency before the final date for paying the second installment of 1982-83 taxes (April 10, 1983), the taxes will be considered paid for the entire year. If no property taxes have been paid for the mobilehome, HCD will collect license fees necessary to bring the mobilehome to a current status.

The request for waiver must be filed with HCD after September 24, 1982 and postmarked no later than June 30, 1983. Failure to meet the filing deadline is the only reason for which HCD will deny the request for waiver of delinquency.

HCD officials have advised us that they have established the following license fee renewal dates for mobilehomes granted reinstatement to vehicle status:

- (1) for those mobilehomes whose owners have paid the 1981-82 taxes and who file requests for waivers postmarked before April 10, 1983, the renewal date will be June 30, 1982.

- (2) for those mobilehomes whose owners have paid the first installment of 1982-83 property taxes and who file requests for waivers before April 10, 1983, the renewal date will be June 30, 1983.
- (3) for mobilehomes whose owners have paid both installments of 1982-83 property taxes and who file waivers by June 30, 1983, the renewal date will be October 31, 1983.

HCD has furnished forms for claiming waivers through its offices and county assessors' offices.

This legislation had urgency status and consequently took effect September 25, 1982. It is significant that this bill is intended to solve the existing confusion in applications of delinquent penalties and mobilehome registration procedures, and that it is a one-time waiver of delinquency.

It is acknowledged in Section 8 of this measure that counties will sustain costs in administering this act and that the state budget for 1983-84 will include reimbursement appropriations for the counties.

SB 1343 has several other provisions in addition to those discussed above; however, these primarily affect registration fee schedules for mobilehomes. It is of interest to the counties that the registration fee, newly increased to \$6 for 1983 and to \$11 for 1984 and thereafter, will be reflected in the 120-day delinquency listings.

AB 3382

This "cleanup" bill inaugurated several significant changes in mobilehome assessment statutes in the following areas: taxpayer notification, voluntary transfer from vehicle license fee (VLF) status to local property tax (LPT) status, disaster relief, and reinstatement to VLF status.

Section 18119 has been added to the Health and Safety Code, while Section 5831 of the Revenue and Taxation Code has been revised. Previously, under Section 5831 the assessor was required to notify the assessee that his mobilehome was to be placed on the local roll, that he had the right to petition for reinstatement, and that the taxable value was the amount stated by the assessor on the notification. The first and second requirements have been shifted from the county assessor to HCD. HCD is now required to notify each mobilehome owner whose license fee has become 60 days delinquent that:

- the license fee is delinquent;
- the mobilehome will become taxable if the fee is not paid before 120 days of delinquency;

- if the mobilehome becomes taxable, there will be an opportunity until the 210th day of delinquency to file a petition with HCD for reinstatement;
- the county assessor will be notified after 120 days of delinquency that the mobilehome is subject to local property taxation.

Two other important features of this newly added section are:

- (1) HCD will allow registered and legal owners to transfer their mobilehomes from VLF to LPT, provided that such transfers are final and no reinstatement will be allowed.
- (2) In addition to the current monthly listings of every mobilehome whose license fee has become at least 120 days delinquent, is newly registered, or is already on local tax rolls and has transferred title since the last listing, HCD will supply a listing of mobilehomes on which owners voluntarily transfer from VLF to LPT.

The addition of Sections 172 and 172.1 to the Revenue and Taxation Code extends disaster relief to mobilehomes. However, unlike the liberal provisions in Section 170 defining qualifying disasters, Section 172 restricts relief to damage resulting from a disaster declared by the Governor. Consequently, unless or until later legislation broadens the tax relief benefits, no disaster relief is available for isolated instances of damage to mobilehomes caused, for example, by flood or fire.

It should be noted that the newly enacted mobilehome disaster relief provisions, as distinguished from disaster relief pursuant to Section 170, give no pro rata tax reductions, impose no special restrictions on damaged value, and do not apply to mobilehomes that have been only partially damaged. The mobilehome must be "destroyed" by the disaster, which for assessment purposes means damaged in excess of the economic cost to cure the damage, or else declared a total loss for insurance purposes. Simply, the owner of a destroyed mobilehome is guaranteed that, if he replaces his coach with a comparable unit, his property taxes or annual vehicle registration fee will not suddenly increase by a great amount.

The claimant whose replacement mobilehome is subject to local property taxation must apply to the county assessor for relief. The assessor will enroll the replacement mobilehome at a taxable value calculated to produce either the same tax amount as was last due for the destroyed coach, if it was subject to LPT, or the same amount of vehicle license and registration fees if the destroyed coach was subject to VLF. If the assessor determines that the mobilehome is not eligible for this tax relief, he shall enroll as new construction only that portion of the reconstructed or replaced mobilehome that exceeds substantial equivalence to the damaged or destroyed mobilehome.

December 17, 1982

It is unclear from the language of this act whether the taxable value calculated under Section 172.1 for a replacement mobilehome subject to local property tax should be adjusted annually to generate taxes equal to the amount of the vehicle license fee that would have been due for the destroyed mobilehome. We are of the opinion that the value calculated for the replacement mobilehome should be treated as any other base year value under Article XIII A; that is, it should be adjusted annually by an inflation factor.

If the replacement mobilehome is subject to the vehicle license fee, HCD will handle the fee adjustments necessary to maintain equivalence to prior VLF or LPT, as the case may be.

If a mobilehome that has been granted relief under this section is subsequently sold, the relief cannot be extended to the new owner unless he, too, had his mobilehome destroyed, as defined, by a qualifying disaster, and has purchased this mobilehome as a replacement for that destroyed one.

The replacement provisions of this bill can be applied only to replacement mobilehomes enrolled after January 1, 1982; however, the actual tax relief will not be operative until the 1983-84 fiscal year.

The final change in mobilehome assessment law made by AB 3382, affecting reinstatement from property tax to vehicle license fee, is contained in newly amended Revenue and Taxation Code Sections 10910 and 10911. Petitions for reinstatement will now be accepted by HCD for 210 days following the expiration of license fee. Furthermore, county tax collectors must now refund all fees, penalties, and taxes to the payor within 30 days of the granting of a petition for reinstatement, whereas the mobilehome owner who has already paid delinquent fees or taxes to the county is now allowed 60 days from the granting of his petition in which to pay those same fees to HCD. This arrangement gives the mobilehome owner the chance to receive his refund before he pays HCD.

Copies of SB 1343 and AB 3382 are enclosed for your information. Please direct your questions concerning this legislation to either Charlie Knudsen or Pete Gaffney at (445-4982).

Sincerely,



Verne Walton, Chief
Assessment Standards Division

VW:ab
Enclosure
AL-06-1193A