

## **SUPPLEMENTAL ASSESSMENT**

790.0003 Addition to Roll. For a property purchased on March 23, 1990, Revenue and Taxation Code Section 75.11 requires that two supplemental assessments be placed on the supplemental roll because the property was purchased after March 1 but before May 31. Based on Section 75.18, the 2% inflation factor would be added to the new base year value the following March 1, 1991, since the change in ownership entered on the supplemental roll took place between March 1 and June 30. C 9/13/94.



STATE OF CALIFORNIA

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September 13, 1994

BURTON W. OLIVER  
Executive Director

Dear Mr. [Name]:

Your Request for Opinion, dated August 3, 1994, inquired as to when the 2% inflation factor should be added to the new base year value of a property purchased on March 23, 1990.

ANALYSIS

Revenue and Taxation Code Section 75.10 requires the assessor to appraise real property at its full cash value on the date of the change in ownership or completion of new construction. It further provides that the value so determined shall be the "new base year value." Revenue and Taxation Code Section 75.8 defines "new base year value" as the full cash value of property on the date it changes ownership or new construction is completed. These provisions are comparable to those of Revenue and Taxation Code Section 110.1, which defines "full cash value" for purposes of Section (2)(a) of Article XIII A of the California Constitution as the fair market value as determined pursuant to Section 110 on the date of change in ownership if the property changed ownership after the 1975 lien date. Subdivision (b) of Section 110.1 designates this value as the "base year value" for the property.

Under Revenue and Taxation Code Section 75.11, when the change in ownership occurs or new construction is completed after March 1 but on or before May 31, there are two supplemental assessments placed on the supplemental roll. The first supplemental assessment is based on the difference between the new base year value and the taxable value on the current roll. In the case of a change in ownership of the full interest in the real property, the second supplemental assessment is based on the difference between the new base year value and the taxable value to be enrolled on the roll being prepared. If the change in ownership is of only a partial interest in the real property, the

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second supplemental assessment is the difference between the sum of the new base year value of the portion transferred plus the taxable value on the roll being prepared of the remainder of the property and the taxable value on the roll being prepared of the whole property.

Whether a change in ownership of the full interest or a partial interest in the real property, as to the application of the inflation rate, Revenue and Taxation Code Section 75.18 provides as follows:

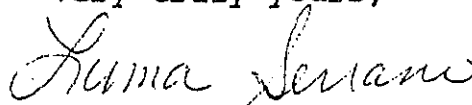
On and after July 1, 1983, if the actual date of the most recent change in ownership or completion of new construction entered on the supplemental roll occurs between March 1, and June 30, then the new base year value shall be adjusted on the March 1 following the change in ownership or completion of new construction by the inflation factor, which shall be determined as provided in subdivision (a) of Section 51.

In the case you presented, the property was purchased on March 23, 1990. Based on Section 75.11, two supplemental assessments would be placed on the supplemental roll since the property was purchased after March 1 but before May 31. In addition, based on Section 75.18, the 2% inflation factor would be added to the new base year value the following March 1, 1991, since the change in ownership entered on the supplemental roll took place between March 1 and June 30.

The views expressed in this letter are, of course, only advisory in nature. They are not binding upon the assessor of any county. You may wish to consult the Sacramento County Assessor in order to confirm that the described property will be assessed in a manner consistent with the conclusions stated above.

Our intention is to provide timely, courteous and helpful responses to inquiries such as yours. Suggestions that help us to accomplish this goal are appreciated.

Very truly yours,



Luma G. Serrano  
Staff Counsel

LGS:jd  
precednt/suppases/94003.lgs

cc: Hon. Roger G. F. Fong  
Sacramento County Assessor  
Mr. John W. Hagerty, MIC:63  
Assessment Standards Chief, MIC:64  
Ms. Jennifer Willis, MIC:70