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August 10, 1979

TO COUNTY ASSESSORS:

HOMEOWNERS' EXEMPTION-ESCAPE ASSESSMENTS UNDER
SECTION 531.6 AS AMENDED BY AB 1488

No. 79/139

Assembly Bill 1488 (Chapter 242, Statutes of 1979) signed into law on July 10, 1979, and, as an urgency statute, effective immediately, amends the last sentence of Section 531.6 of the Revenue and Taxation Code to read:

"If the property subject to this paragraph has been transferred or conveyed to a bona fide purchaser for value during the period commencing with the lien date and ending July 1 of the fiscal year for which such exemption was incorrectly allowed, and the claimant is not the purchaser, any amount of penalty provided by Section 504 or any amount of interest provided by Section 506 imposed pursuant to the escape assessment due to such incorrect homeowners' exemption shall be forgiven." (Amended Language)

Section 41 of AB 1488 provides that the amendment of Section 531.6 shall be effective for the 1979-80 assessment year and thereafter.

In those instances in which property has not been transferred but is still owned by the claimant who caused the escape, the 25 percent penalty provided in Section 504 must be added to the assessment and entered on the secured roll prepared or being prepared. If the escape is, say, for the 1978-79 assessment year, the entry on the 1979 roll should be followed with "escaped assessment for year 1978 pursuant to Sections 531.1 and 531.6 of the Revenue and Taxation Code." This procedure is in accordance with Section 533 of the Revenue and Taxation Code; also see page 34 of Assessors' Handbook 271, Assessment Roll Procedures.

If you have any questions regarding an escape assessment because of an incorrectly allowed homeowners' exemption, please contact William Grommet, Exemption Officer, of this division.

Sincerely,

Verne Walton
 Verne Walton, Chief
 Assessment Standards Division

VW:cr