



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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No. 79/187

October 19, 1979

TO COUNTY ASSESSORS:

INFORMATION REGARDING ASSESSMENT OF
NONPROFIT GOLF COURSES, ENFORCEABLY RESTRICTED HISTORICAL
PROPERTIES AND TAXABLE GOVERNMENT-OWNED PROPERTIES

Assembly Bill 1488 has modified the procedures for valuing these restricted properties. Attached are some frequently asked questions concerning their valuation for tax purposes.

Please refer any inquiries to John McCoy of this division,
(916) 445-4982.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:dr
Enclosure

A. QUESTIONS & ANSWERS PERTAINING TO
DECLINE IN VALUE

1. QUESTION: How do you value nonprofit golf courses for the 1979 lien date and thereafter?

ANSWER: Properties subject to valuation as golf courses pursuant to Section 10 of Article XIII of the Constitution are valued on the basis of golf course use, plus the full value attributable to any mineral rights without consideration of the provisions of Section 2 of Article XIII A of the Constitution.

2. QUESTION: How would you value a golf course that no longer was eligible for valuation pursuant to Section 10 of Article XIII?

ANSWER: The property would be valued under the provisions of Section 2 of Article XIII A of the Constitution. This change in status would not constitute a change of ownership. The base year would be 1975 or the assessment year of any subsequent ownership change. The base year value would be full cash value or fair market value giving consideration to the highest and best use of the property as of March 1, 1975, (1975 base year) or the date of any subsequent ownership change (base year other than 1975). New construction would be picked up as of the date of completion unless the date of completion preceded 1975 or the date of the last ownership change.

3. QUESTION: How do you value enforceably restricted historical properties for the 1979 lien date and thereafter?

ANSWER: These 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 (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.

4. QUESTION: How do you value taxable property owned by a local government but located outside of its boundaries for the 1979 lien date and thereafter?

ANSWER: Such properties are subject to valuation pursuant to Section 11 of Article XIII of the Constitution without consideration of the provisions of Article XIII A of the Constitution:

Land

- (1) Located in Inyo County - apply the Phillip's factor established by the Board to the 1966 assessed value.
- (2) Located in Mono County - apply the Phillip's factor to the 1967 assessed value.
- (3) Located outside of Inyo and Mono Counties - use the lower of the current fair market value as defined in Section 110 of the Revenue and Taxation Code or the value determined by applying the Phillip's factor to the 1967 assessed value.

Improvements (Taxable When Acquired)

- (1) Original improvements, taxable when acquired, are taxable at their current fair market value as defined in Section 110 of the Revenue and Taxation Code.
- (2) Replacement improvements built before March 1, 1954, are taxable at their current fair market value as defined in Section 110.
- (3) Replacement improvements built after March 1, 1954, are taxable at the lesser of their current fair market value as defined in Section 110 or the highest full value ever used for taxation of the improvement that has been replaced.

Improvements (Built After Acquisition)

- (1) All improvements added after the original acquisition and which do not replace improvements that were taxable when acquired are exempt from taxation.