



STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA  
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

(916) 445-4982

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DOUGLAS D. BELL  
Executive Secretary

December 9, 1980

No. 80/181

TO COUNTY ASSESSORS:

LEGISLATIVE CHANGES TO CHANGE IN OWNERSHIP STATEMENT,  
DISASTER RELIEF, COMPARABLE SALES,  
PERIODIC APPRAISALS, LIST OF TRANSFERS, AND  
ESCAPES AND CORRECTIONS

Here is the second in our series of letters on Senate Bill 1260 and Assembly Bill 2777. We will give you a section by section rundown on the changes made. We will also give you the effective date for each section.

Disaster Relief

Section 170(d). This subdivision provides that the assessor may provide an application for reassessment to a property owner if he (the assessor) determines that within the preceding six months a property has suffered damage caused by misfortune or calamity. The property must qualify for relief under an ordinance adopted under this section for the owner to gain tax relief. The property owner must file within 30 days of notice by the assessor but in no case more than six months after the occurrence of said damage.

The six-month time limit is the change imposed by this amended section.

Comparable Sales

Section 402.5 was amended to substitute the words "valuation date" for the words "lien date." This conforms the section with Article XIII A that requires reappraisal of real property as of the date of the change in ownership.

Periodic Appraisal

Section 405.5. This section has been changed to refer to those properties not subject to Article XIII A valuation procedures.

List of Transfers

Section 408.1. This section has once again been added to the Revenue and Taxation Code and requires the assessor to maintain a list of transfers, other than undivided interests, within the county which have occurred within the preceding two-year period.

The only amendment to this section is the addition of subdivision (f) which, pursuant to Section 481, prohibits the assessor from including on the list any information furnished by the transferee on a change in ownership statement other than public information.

#### Change in Ownership Statement

Section 480. The only change in the body of Section 480 is the addition of the words "and which is assessed by the county assessor." The change is only for clarification.

Section 480(a). This section had the words "except as provided in Subdivision (b)" inserted.

Section 480(b). This section is newly added. It provides that when a change in ownership statement accompanies a grant deed (or other document evidencing a change in ownership) filed for recording, the "important notice," as well as any information contained in the deed (i.e., property description, parties to the transactions, etc.), and the declaration under penalty of perjury may be omitted.

Section 480(c). This section states that when a document evidencing a change in ownership is recorded, a change in ownership statement shall be filed with the county recorder at time of recordation. However, the county recorder may not deny or delay recording because of failure to file, or filing an incomplete change in ownership statement. The section further provides that when no recording evidences a change in ownership, a statement must be filed with the assessor no later than 45 days from the date of the change in ownership.

Section 480(d). This is the previous Section 480(c) renumbered.

Section 480(e). This is the previous Section 480(d) renumbered.

Section 480(f). This section remains unchanged.

Section 480(g). This section absolves any person or entity of any responsibility or any liability regarding assistance in preparing a change in ownership statement.

Section 480(h). This section requires filing a change in ownership statement upon change in control of any corporation or upon a change in majority ownership of a partnership.

Section 480(i). This section requires that a statement filed pursuant to Subdivision (h) be signed by an officer, partner, or an employee or agent who has been designated in writing by the partnership or legal entity.

Section 480(j). This section provides that in a case of a change in ownership where the transferee is not locally assessed, no change in ownership statement is required.

It further provides that upon change in control of a legal entity, a change in ownership statement must be filed within 45 days either with the Board in Sacramento or with each county assessor in whose county the entity owns real property. If the statement is filed with the Board, it shall list all counties in which the entity owns real property.

Failure to file a statement within 45 days of change in control shall require a penalty of 10 percent of the current year's taxes. This penalty is to be calculated after establishing a new base year value reflecting the change in control.

Any and all records and documents of a corporation, partnership, or legal entity shall be made available to the assessor, upon his request, during normal business hours, for the purpose of ascertaining whether a change in control (pursuant to 64(c)) has occurred.

Section 480.2. This section added by Section 8 of Senate Bill 1260 provides that on transfers by death, a change in ownership statement shall be filed within 45 days of distribution of the real property by the successor to the decedent's property.

Section 482(a). This section provides that the assessor may request, in writing, that any transferee of any interest in real property or mobile-home file a change in ownership statement. The assessor may request the statement whether or not the transfer is defined as a change in ownership in Section 60 et seq. of Chapter 2 of Part 0.5 of the California Revenue and Taxation Code. Failure to file the statement within 45 days of the written request shall generate a penalty of the greater of \$100 or 10 percent of the current year's taxes on the real property or mobilehome. The penalty shall be added to the assessment made on the current roll and shall not exceed \$2,500 if failure to file was not willful. The penalty shall also apply for failure to file a complete statement even if the transfer proves to be excluded from reappraisal. The language at the end of 482(a) indicates that the penalty should be forgiven for an incompleated statement if the missing information is supplied upon a second request.

Section 482(b). This section defines "current year's taxes" as the taxes due for the fiscal year in which the 45-day period expires.

Section 482(c). This section states that the penalty can only be imposed one time.

Section 482(d). This section says that the penalty shall be added to the roll like a special assessment and treated in the same manner as all other taxes on that roll.

Section 482(d)(1). This section provides that, for transfer of a portion of property when the penalty is applied, the current year's taxes shall be prorated so the penalty will be computed only on the portion of property transferred. The penalty, so figured, may be entered either on the current

year's unsecured roll in the name of the transferee or the current or subsequent year's secured roll as a lien against the portion transferred.

Section 482(d)(2). This section allows any penalty added to the roll pursuant to this section between March 1 and June 30 of any fiscal year to be entered on the unsecured roll or on the current or subsequent year's secured roll as a lien against the property transferred.

Section 482(d)(3). This section provides for placing a penalty on the unsecured roll in the name of the transferee whose failure to file a change in ownership statement caused the penalty when the transferee has sold the property or when the property has become subject to a lien of a bona fide encumbrancer before enrollment of the penalty.

Section 482(e). This section enables the tax collector to file a certificate authorized by Section 2192.3 when a penalty, pursuant to this section is entered on the unsecured roll.

Section 482(f). This section requires the assessor to mail to the transferee, at his address on the transfer document or any address reasonably known to the assessor, notice of any penalty enrolled pursuant to this section.

Section 482.1. This section subjects the successor in interest to a decedent's property to the penalty provided in Section 482 upon failure to file timely pursuant to Section 480.2.

#### Escapes and Corrections

Section 531.2. This section has been amended to conform to the change in ownership penalty provisions of Section 480 et seq. It also provides that, Section 532 notwithstanding, escaped assessment resulting from unrecorded changes in ownership shall be made within eight years after July 1 of the assessment year in which the real property escaped taxation or was underassessed.

Section 619.15. This section is newly added and applies to counties of over 4,000,000 population. The assessor may with the concurrence of the tax collector notify an assessee of a possible assessment reduction pursuant to certain statutes of 1979. The assessee may elect to defer payment of taxes until 30 days after issuance of an additional bill or until the second installment delinquent date whichever is later.

This section is terminated on June 30, 1982 unless extended by statute prior to that date.

Section 1640. This section was amended so that the recommendation of the hearing officer is binding on the county board of equalization.

Section 1641. The previous Section 1641 was repealed and this Section 1641 is added. Under the prior section the county board of equalization or assessment appeals board had certain alternatives regarding the recommendation of the hearing officer. This section provides that upon

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recommendation of the hearing officer the board shall establish the assessed value at the value recommended by the hearing officer.

Section 4836. This section has been amended so that upon a correction causing an increase in unpaid taxes, the assessor shall notify the assessee of the procedure for obtaining a review under Section 1605 (notice and review of assessment made outside regular period) and the procedure for applying for cancellation under Section 4986 (cancellation of uncollected taxes; cancellation of taxes on property acquired by public agencies).

Section 4845. This newly added section allows counties of over 4,000,000 population to correct the 1980-81 roll without prior hearing or approval of the board of supervisors. The correction must, however, be expressly authorized by statute. Any overpayment of taxes shall be refunded and the refund shall be prorated between assesseees of record between July 1, 1979 and June 30, 1980 in the same proportion as the taxes each paid.

#### Effective Dates

Senate Bill 1260 was passed as an urgency statute, and its provisions were effective upon its passage. The changes made by Senate Bill 1260 apply to the 1980-81 roll. The effective date for Assembly Bill 2777 is January 1, 1981, and its provisions apply to the 1981-82 roll. Following is a table of effective dates for Section 170 through Section 4845.

<u>Section</u>	<u>Effective Date</u>
170	September 26, 1980
402.5	September 26, 1980
405.5	September 26, 1980
408.1	September 26, 1980
480 (a-g)	September 26, 1980
480 (i-j)	January 1, 1981
480.2	September 26, 1980
482 (a-f)	September 26, 1980
482.1	September 26, 1980
531.2	September 26, 1980
1640	September 26, 1980
1641	September 26, 1980
4836	September 26, 1980
4845	September 26, 1980

If you have any questions, please contact our Technical Services Section; their telephone number is (916) 445-4982.

Sincerely,



Verne Walton, Chief  
Assessment Standards Division