



STATE BOARD OF EQUALIZATION

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Executive Secretary
No. 80/53

March 25, 1980

TO COUNTY ASSESSORS:

MANDATORY AUDITS - BANKS AND INSURANCE COMPANIES

Our letter to you dated October 16, 1979 (No. 79/178) explained Senate Bill 884 (Chapter 518) which affected mandatory audits by raising the \$100,000 limit to \$200,000 and included trade fixtures with personal property in determining the \$200,000 amount. Since banks' and insurance companies' personal property is exempt, they have been outside the mandatory audit category.

However, since January 1, 1980, mandatory audits are determined by adding personal property and trade fixtures. Therefore, banks and insurance companies whose trade fixtures total \$200,000 full value for each of the four lien dates 1975-1978 and/or 1976-1979, must be audited on or before June 30, 1980. Waivers should be obtained if the mandatory audits cannot be completed by that deadline.

Property statements on file plus real property building/appraisal records should be good sources in establishing a listing of banks and insurance companies which are now mandatory audits.

Please contact Bud Florence or Mike Shannon of this division if you have any questions; their telephone number is (916) 445-4982.

Sincerely,

A handwritten signature in cursive script that reads "Verne Walton".

Verne Walton, Chief
Assessment Standards Division

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