



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

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

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DOUGLAS D. BELL
Executive Secretary
No. 87/46

June 1, 1987

TO: COUNTY ASSESSORS,
COUNTY COUNSELS, ASSESSMENT
APPEALS BOARDS, AND OTHER
INTERESTED PARTIES:

NOTICE OF PROPOSED REGULATORY ACTION
BY THE
STATE BOARD OF EQUALIZATION

RULE 135.5 - HOMEOWNERS' PROPERTY TAX EXEMPTION -
SUPPLEMENTAL ASSESSMENTS

PUBLIC HEARING: JULY 28, 1987

NOTICE IS HEREBY GIVEN that the State Board of Equalization, pursuant to the authority vested by section 15606 of the Government Code, and to implement, interpret, or make specific sections 75.20, 75.21, 75.22, 75.31, 75.51, 75.52, 218, 218.5, 229, 253.5, 255, 255.1, 255.2, 255.3, 255.6, 255.7, 255.8, 275, 408, 531.1, 531.6, 2190, 2611.5, and 2615.5 of the Revenue and Taxation Code, proposes to add Rule 135.5 to Title 18 of the California Administrative Code, relating to property tax.

PUBLIC NOTICE: Notice is further given that a public hearing relevant to this action will be held in Room 102, Consumer Affairs Building, 1020 N Street, Sacramento, California, at 2:00 p.m., on July 28, 1987. Any person interested may present statements or arguments orally or in writing at that time and place.

INFORMATIVE DIGEST: This rule is being added to interpret supplemental roll statutes pertaining to the homeowners' exemption now in effect as the result of Stats. 1983, ch. 498, as amended, and to complement Rule 135, Homeowners' Property Tax Exemption, which interprets regular roll statutes pertaining to the exemption.

Prior to the enactment of the supplemental roll statutes in 1983, a claim for the homeowners' exemption from a regular roll assessment, available to a homeowner occupying an owned dwelling as his or her principal place of residence on the March 1 lien date, consisted of a single filing for the upcoming fiscal year which, when granted, remained in effect for future fiscal years until such time as the property was no longer eligible for the exemption. The supplemental roll statutes, among other things, require counties to prepare supplemental assessment rolls and to collect supplemental property taxes for real property which has been purchased or changes ownership or on which new construction is completed immediately as of the date of change in ownership or completion of new construction, and to administer the homeowners' exemption in conjunction therewith. This rule adds the following provisions: claims for the homeowners' exemption in instances involving supplemental assessments; to when claims for exemption are due; to the applicability of a single claim for exemption to one or to two supplemental assessments, as the case may be; to the applicability of a claim for exemption to subsequent regular roll assessments as the result of one-time filing; and to related matters such as procedures applicable in instances involving co-owning occupants and notice to claimants in instances involving unapproved claims.

ESTIMATE OF COST OR SAVINGS: The State Board of Equalization has determined that the proposed addition does not impose a mandate on local agencies or school districts. Further, the Board has determined that the addition will result in no direct or indirect cost or savings to any state agency, any local agency or school district that is required to be reimbursed under section 2231 of the Revenue and Taxation Code, or other nondiscretionary cost or savings imposed on local agencies, or cost or savings in federal funding to the State of California.

The cost impact on private persons or businesses will be insignificant. This proposal will not have a significant adverse economic impact on small businesses.

WRITTEN COMMENTS: Written statements or arguments will be considered by the Board if received by July 28, 1987; they are requested by July 10, 1987. Please send comments to Janice Masterton, Regulation Coordinator, at 1020 N Street, Sacramento, California 95814.

STATEMENT OF REASONS; EXPRESS TERMS; RULEMAKING FILE: The Board has prepared a statement of reasons and an underscore version (express terms) of the proposed addition. Both of these documents and all information on which the proposal is based are available to the public upon request. The rulemaking

file is available for public inspection at Room 450, 1020 N Street, Sacramento, California.

STAFF MEMORANDA AFTER PUBLIC HEARING OR REVISIONS TO PUBLISHED VERSION OF THE REGULATION: In the event there are any staff memoranda included in the rulemaking file after the close of the public hearing, these memoranda will be available to the public upon request from Mrs. Masterton for a period of 15 days after the public hearing.

Following the hearing, the State Board of Equalization, upon its own motion, or at the request of any interested person, may in accordance with law adopt the addition proposed without further notice.

In the event there are any revisions sufficiently related to the published version of the rule, these revisions will be available to the public upon request from Mrs. Masterton for a period of 15 days before adoption.

INQUIRIES

CONTENT

Questions regarding the content of the regulation should be directed to Gordon P. Adelman, Assistant Executive Secretary, Property Taxes, (916) 445-1516, at 1719 - 24th Street, Sacramento, CA 95816.

HEARING

Written comments for the Board's consideration or requests to present testimony and bring witnesses to the public hearing should be directed to Janice Masterton, Assistant to Executive Secretary, (916) 445-6479, at 1020 N Street, Sacramento, CA 95814

Dated: May 20, 1987

STATE BOARD OF EQUALIZATION

Douglas D. Bell

Douglas D. Bell
Executive Secretary

RULE 135.5. HOMEOWNERS' PROPERTY TAX EXEMPTION - SUPPLEMENTAL ASSESSMENTS

EXEMPTION CLAIMS.

(a) APPLICABILITY OF SECTION. The provisions of this section apply only to claims for the homeowners' exemption made pursuant to the provisions of Chapter 3.5 (commencing with section 75) of Part 0.5 of Division 1 of the Revenue and Taxation Code. Except where the context or the specific provisions of the section otherwise require, the provisions of section 135 also apply to claims for the exemption from the supplemental roll.

(b) DISTRIBUTING FORMS. The assessor of each county shall make forms on which to claim the exemption available in the manner set forth in section 135(a)(1).

(c) WHEN CLAIMS ARE DUE. A claim is timely filed if it is delivered to the assessor's office or if properly addressed and mailed with postage prepaid on or before the 30th day following the date of notice of a supplemental assessment. A post office cancellation mark of said 30th day or earlier is conclusive evidence of timely filing by mail. The assessor may accept other proof which satisfies him/her that a claim was mailed on or before said 30th day, provided such proof is offered on or

before the same date of the following year. In addition to the claim being timely filed, the claimant must meet the requirements for the exemption no later than ninety (90) days after the date of the change in ownership or the completion of new construction.

When a claim is filed late, that portion of tax attributable to 80 percent of the amount of exemption available shall be cancelled or refunded if the claim is delivered to the assessor's office or is properly addressed and mailed with postage prepaid after the 30th day following the date of notice of a supplemental assessment but on or before the date on which the first installment of taxes on the supplemental tax bill becomes delinquent, as provided by section 75.52 of the Revenue and Taxation Code.

(d) NUMBER OF CLAIMS REQUIRED. Usually, one claim will suffice. Where a change in ownership or new construction occurs on or after June 1 up to and including February 29, one claim for the single supplemental assessment for the current fiscal year shall apply to that assessment and, if granted, to the following fiscal year and to fiscal years thereafter based upon the one-time filing. For example, where a dwelling changes ownership on July 1, 1987, one claim for the single supplemental assessment for the 1987-88 fiscal year shall apply to that assessment. If the claim is granted, it shall also apply to the regular roll assessment for the 1988-89 fiscal year and for fiscal years thereafter based upon one-time filing.

Where a change in ownership occurs on or after March 1 up to and including May 31, one claim for the two supplemental assessments, one for the current fiscal year and one for the following fiscal year, can apply to those assessments, but the claim will not apply to the regular roll assessment for that following fiscal year because the claimant did not own and occupy the dwelling on the lien date. For example, where a dwelling changes ownership on May 1, 1987, one claim for the two supplemental assessments, one for the 1986-87 fiscal year and the other for the 1987-88 fiscal year, can apply to those assessments. The claim will not apply to the regular roll assessment for the 1987-88 fiscal year, however.

If the claim does apply to the two supplemental assessments or if it applies only to the supplemental assessment of the following fiscal year, and if the claim is granted, the claim will apply also to a third fiscal year and to fiscal years thereafter based upon the one-time filing. For example, if a claim applies to two supplemental assessments, one for the 1986-87 fiscal year and the other for the 1987-88 fiscal year, or if it applies only to the supplemental assessment for the 1987-88 fiscal year, and if the claim is granted, the claim will apply also to the regular roll assessment for the 1988-89 fiscal year and for fiscal year thereafter. If, however, the claim applies only to the supplemental assessment for the current fiscal year, the claim will not apply to the third fiscal year and to fiscal years thereafter because no claim was

in effect for the following (second) fiscal year. For example, if a claim applies only to the supplemental assessment for the 1986-87 fiscal year, the claim will not apply to the regular roll assessment for the 1988-89 fiscal year and for fiscal years thereafter because no claim was in effect for the 1987-88 fiscal year.

Where a claim for a supplemental assessment or assessments is denied, a separate claim for a future regular roll assessment must be filed.

After a change in ownership, additional supplemental assessments may arise from the completion of new construction. A separate claim must be filed for each additional assessment arising from the completion of new construction where less than the full exemption is then in effect. Only one claim is required, however, for a single new construction project completed on or after March 1 up to and including May 31, which results in two supplemental assessments, one for the current fiscal year and one for the following fiscal year. Once the full exemption is in effect, no additional claims need be filed.

(e) SIGNATURE OF CLAIMANT. Where two or more co-owning occupants, either spouses or non-spouses, reside in a dwelling, the signature of one co-owning occupant is sufficient to claim the exemption for all occupants so long as the person who

signed the claim continues to reside at that location. Where a spouse who signed the active claim dies or establishes a principal place of residence elsewhere, the assessor may require refiling of the claim by the other spouse. Where a co-owner (non-spouse) who signed the active claim dies or establishes a principal place of residence elsewhere, the assessor shall require refiling of the claim by one of the other occupant co-owners.

If a timely filed claim lacks a signature or any required information, the assessor may, for good cause, grant the claimant a single period of measurable length within which to cure the defect. Such period shall not extend beyond six (6) months from the date of filing of the claim unless the defect is not found and the claimant is not notified thereof within a reasonable time to cure the defect before expiration of the six-month period, in which event it shall not extend beyond three (3) months of such notification. If a claim is filed late, the assessor may allow the claimant up to six months, or three months after the claimant is notified, whichever is later, to cure the defect.

(f) PROCESSING CLAIMS. The assessor shall process a claim in the manner set forth in section 135(a)(4) and shall enroll the exemption if the claimant is eligible for the full exemption for the initial fiscal year or years claimed. The assessor shall not approve a claim for property with respect to which the full exemption is already in effect.

(g) NOTICE OF UNAPPROVED CLAIMS. After determining that a claim is not approved, the assessor shall notify the claimant of the reason or reasons for nonapproval. Failure to receive such notice shall not entitle the claimant to the exemption.

Reference: Section 75.20, 75.21, 75.22, 75.31, 75.51, 75.52, 218, 218.5, 229, 253.5, 255, 255.1, 255.2, 255.3, 255.6, 255.7, 255.8, 275, 408, 531.1, 531.6, 2190, 2611.5, 2615.5 Revenue and Taxation Code.

Authority: Section 15606, Government Code.