



STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P O. BOX 942879, SACRAMENTO, CALIFORNIA 94279-0001)

(916) 445-3956

WILLIAM M BENNETT
First District Kentfield

CONWAY H COLLIS
Second District Los Angeles

ERNEST J DRONENBURG JR
Third District San Diego

PAUL CARPENTER
Fourth District Los Angeles

GRAY DAVIS
Controller Sacramento

DOUGLAS D BELL
Executive Secretary

October 28, 1987

No. 87/88

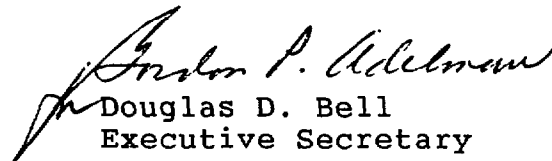
TO COUNTY ASSESSORS,
COUNTY COUNSELS,
ASSESSMENT APPEALS BOARDS,
AND OTHER INTERESTED PARTIES:

PROPERTY TAX RULE 324
DECISION

On July 28, 1987, the State Board of Equalization held a public hearing on proposed amendments to Property Tax Rule 324, Decision. In response to public comment, the staff proposes further revisions to Rule 324. The language formerly in subdivision (c) is restored and the word "evaluation" is changed to "valuation". Here is the revised rule with the revisions shown in brackets.

In accordance with Government Code Section 11346.8(c), the revised version of rule 324 is being placed in the rulemaking file and mailed today to interested parties that commented orally or in writing or that asked to be informed of such revisions. If you wish to review the rulemaking file, it is available for your inspection in Room 134 at this address. Comments received by November 12, 1987, will be before the Board when the Board considers adoption of the revised version. Please mail comments to this address to the attention of Janice Masterton, Regulations Coordinator.

Sincerely,


Douglas D. Bell
Executive Secretary

DDB:ms
0011R/61
Attachment

Rule 324. DECISION

~~Reference: Section 1601 et seq., Revenue and Taxation Code.~~

(a) Acting upon the evidence properly before it the board shall determine the taxable value of the property which is the subject of the hearing, and shall designate the ratio to be applied thereto, which shall be the lowest of the ratios provided in section 1610.8 of the Revenue and Taxation Code. The determination of the taxable value shall be supported by the weight of the evidence at the hearing.

(b) When an applicant requests a reduction in the assessed value of a portion of an improved real property (e.g., land only or improvements only) or a portion of installations which are partly real property and partly personal property (e.g., only the improvement portion or only the personal property portion of machinery and equipment), whether the reduction is requested on grounds of valuation, on grounds of misclassification, or for any other cause, the board shall make a determination of the full cash value of the whole property and shall order a change in the assessed value of the part only if the assessed value of the whole requires equalization, or shall adjust the value of the parts so that each is equalized and the value of the whole property is accounted for.

(c) The board shall be bound by the same principles of evaluation that are legally applicable to the assessor.

(d) The board shall neither raise nor lower the entire local roll.

(e) When written findings of fact are made, they shall fairly disclose the board's findings on all material points raised in the application and at the hearing. The findings shall also include a statement of the method or methods of valuation used in determining the full cash value of the property, and shall be made timely after the hearing.

(f) When valuing a property by comparison with sales of other properties, the board shall consider only those sales which in its judgment are sufficiently near in time to the valuation date yet occurring no more than 90 days after the lien date, are located sufficiently near, and are sufficiently alike in respect to character, size, situation, usability, zoning or other legal restriction as to use, to the property being valued, to make it clear that the properties sold and the property being valued are comparable in value and that the cash equivalent price realized for the properties sold may fairly be considered as shedding light on the value of the property being valued. Pursuant to section 402.1 of the Revenue and Taxation Code, the board shall presume that zoning or other legal restrictions on the use of either the properties sold or the property being valued will not be removed or substantially modified in the predictable future unless sufficient grounds as set forth in that section are presented to the board to overcome that presumption.

(a) Determination of Taxable Value.

Acting upon the evidence properly before it, the Board shall determine the taxable value of the property which is the subject of the hearing. The determination of the taxable value shall be supported by the weight of the evidence presented during the hearing. The Board shall consider evidence of value

derived by the use of any of the valuation methods described in section 3 of this chapter. It shall determine whether the method(s) used was (were) properly applied, considering the type of property assessed and any governmentally imposed land use restrictions, by examining the factual data, the presumptions and the estimates relied upon.

(b) Scope of Review.

Subject to the limitations of article XIII A of the California Constitution and the provisions of Division 1 of the Revenue and Taxation Code, the Board's assessment review shall extend to the largest appraisal unit of property necessary to effectively determine the value of any fractional part thereof brought before the Board for assessment equalization. At the assessor's request or on its own motion, the Board shall include in the assessment review all property which is associated with the appealed assessment either because of a value allocation made by the assessor or because the assessment of the property being reviewed is a part of an assessment of a larger appraisal unit. An appraisal unit of property is a collection of tangible assets that function together and that commonly sell as a unit.

[(c) Valuation Principles.

The board shall be bound by the same principles of valuation that are legally applicable to the assessor.]

[(c)(d)] Comparable Sales.

When valuing a property by a comparison with sales of other properties, the Board shall consider only those sales which, in its judgment, are similar in size, quality, age, condition, utility, amenities, site location, legally permitted use, or other physical attributes to the property being valued. When valuing property for purposes of either the regular roll or the supplemental roll, the Board shall not consider a sale if it occurred more than 90 days after the date for which value is being estimated. The Board shall presume that zoning or other legal restrictions of the types described in Revenue and Taxation Code section 402.1 on the use of either the property sold or the property being valued will not be removed or substantially modified in the predictable future unless sufficient grounds as set forth in that section are presented to the Board to overcome that presumption.

References: Article XIII A, California Constitution, Section 15606 Government Code, Sections 402.1, 402.5, 1609, 1611.5, Revenue and Taxation Code

Authority: Section 15606 Government Code

0005M