



STATE BOARD OF EQUALIZATION

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February 14, 1991

TO COUNTY ASSESSORS:

TAX RELIEF FOR PROPERTY DAMAGED
BY EXTREME COLD WEATHER

CINDY RAMBO
Executive Director
No. 91/13

As a result of damage caused by the extreme cold weather beginning on December 19, 1990, the Governor has proclaimed 31 counties to be in a state of emergency. For property tax purposes, this means that in addition to claims for reassessment under Revenue and Taxation Code Section 170, many property owners will be eligible, under Section 194, for deferral of their next property tax installment payment.

The enclosed information is designed for use by taxpayers; you are welcome to distribute the material to your constituents. We would like to thank the Ventura County Assessor for providing the Orchard Frost Damage Report form.

There are two points about the enclosed material worth noting here. First, growing crops are not subject to reassessment relief under Section 170. This results from the fact that Section 170 applies only to damaged or destroyed taxable property. Since growing crops are exempt under the State Constitution, no property tax relief is available when they are damaged or lost. Also, for newly planted trees and vines that have not yet come off exemption, no relief is available since, again, such trees and vines are not taxable property.

Second, since some assessors have mistakenly understood Section 194 to apply only to property receiving the homeowners' exemption, we wish to clarify that the section applies to any real property and mobilehomes. The distinction between property receiving the homeowners' exemption and other property involves the threshold of value loss that is necessary in order for the property owner to qualify for tax deferral.

We are making plans to hold one or more workshops on disaster relief next month. Information about the date(s) and location(s), as well as the specific content of the workshop, will be provided in a separate letter.

If you have any further questions, please feel free to contact our Real Property Technical Services Unit at (916) 445-4982.

Sincerely,
Verne Walton

Verne Walton, Chief
Assessment Standards Division

VW:sk
Enclosures

February 1991

PROPERTY TAX RELIEF FOR PROPERTY DAMAGED
BY EXTREME COLD WEATHER

General

Owners of taxable property which was substantially damaged as a result of the extreme cold weather beginning on December 19, 1990 may be eligible for partial relief from property taxes. Section 170 of the California Revenue and Taxation Code authorizes county boards of supervisors to provide, by ordinance, for reassessment of property damaged by misfortune or calamity upon a timely filed application for such reassessment. In many cases, property owners may also apply to have their next property tax installment payment deferred, without penalty or interest, until the assessor has completed reassessment of the damaged property.

Important Information for Owners of Agricultural Property

Section 170 provides relief for damaged or destroyed taxable property. The State Constitution expressly exempts growing crops from property taxation (Article XIII, Section 3(b)). Consequently, since growing crops are not taxable property, the loss of growing crops as a result of the extreme cold (or any other cause) is not cause for reassessment under Section 170. This means, for example, that in order for orchards or vineyards to qualify for relief, there must be damage to the trees or vines themselves. Additionally, if the trees/vines were under exemption at the time of the damage, no relief is available.

Reassessment

- The application for reassessment must be filed within 60 days of the date of the disaster, unless another time period is specified in the county's disaster relief ordinance.
- The application must indicate the condition and value of the property immediately after the damage, and the dollar amount of the damage.
- The application must be executed under penalty of perjury, or if executed outside the State of California, verified by affidavit.
- If, upon receiving a proper and timely application, the assessor determines that the fair market value of the property has suffered at least \$5,000 as a result of the damage, the values appearing on the assessment roll will be reduced by the corresponding percentage reduction in fair market value.
- As the damaged property is restored, the taxable value will be increased each year according to the extent of restoration, until such time as restoration is complete.

Tax Deferral

For counties which have been proclaimed by the Governor to be in a state of emergency, owners of substantially damaged real property and mobilehomes may qualify for deferral of their next property tax installment payment. Note that this relief applies only in counties whose boards of supervisors have adopted the above-mentioned disaster relief ordinance.

- A claim for tax deferral may be filed in conjunction with, or in addition to, the application for reassessment relief under the disaster relief ordinance.
- Real property and any mobilehome that received or was eligible to receive the homeowners' exemption will qualify for tax deferral if the loss in value from the damage is at least 10 percent or \$5,000. Other property must have suffered in value at least 20 percent in order to qualify.
- If a timely claim is filed, the payment shall be deferred, without penalty or interest, until the assessor has reassessed the property and a corrected bill has been sent to the property owner.
- If, following reassessment, the assessor determines that an owner who applied and was granted a deferral of property taxes did not file the claim in good faith, the owner shall be assessed a delinquent penalty.
- Tax deferral is not available if property taxes are paid through impound accounts.

Eligible Counties

To confirm that the county where your property is located has a disaster relief ordinance in effect, you should contact the county assessor's office.

The following counties have been declared by the Governor to be in a state of emergency as a result of the extreme cold weather:

Alameda	Madera	Riverside	Santa Cruz
Butte	Marin	San Benito	Solano
Colusa	Mendocino	San Bernardino	Sonoma
Fresno	Merced	San Diego	Sutter
Glenn	Monterey	San Luis Obispo	Tulare
Imperial	Napa	San Mateo	Ventura
Kern	Orange	Santa Barbara	Yolo
Los Angeles	Placer	Santa Clara	

Claim Forms

Since each county with a disaster relief ordinance will have its own claim form, it is suggested that you contact the assessor's office in the county where your property is located for information about making a claim for reassessment and/or tax deferral. Where no form is available, the attached sample claim form may be acceptable.

For orchard owners, the attached Orchard Frost Damage Report form may be useful in estimating tree damage.

ORCHARD FROST DAMAGE REPORT

To assist the Assessor in making an accurate inventory of orchard areas damaged by frost, fill in the appropriate information as shown in the examples provided.

EXAMPLE

ASSESSOR'S PARCEL NO.	TREE TYPE	YEAR SET	TOTAL ACRES	DAMAGED ACRES	DESCRIPTION OF TREE DAMAGE	DATE TREES TO BE PULLED
110-0-000-115	Avocado/Hass	1980	20	10	B to C	July 1991
110-0-000-115	Orange/Val.	1975	40	10	A	N/A

DESCRIPTION OF TREE DAMAGE:

- A. Foliage and small twigs injured, but no pruning necessary.
- B. Upper limbs, dead bark on upper side, green bark on lower side. (Limbs may be cut back below all serious bark injury.)
- C. Most of the top and crown limbs dead, but the trunk is still alive. (The entire top of tree could be removed.)
- D. Tree dead to the bud union. Will be removed and replaced.

ASSESSOR'S PARCEL NO.	TREE TYPE	YEAR SET	TOTAL ACRES	DAMAGED ACRES	DESCRIPTION OF TREE DAMAGE	DATE TREES TO BE PULLED

DATE OF DAMAGE INVENTORY _____

DATE PRUNING COMPLETED _____
(OR ESTIMATED COMPLETION DATE)

DATE PRUNING STARTED _____
(OR ESTIMATED START DATE)

WAS FROST PROTECTION ADDED? _____ TYPE _____ COST _____ DATE _____

COUNTY OF _____

Date _____

APPLICATION FOR REASSESSMENT AND/OR TAX DEFERRAL
FOR DAMAGED OR DESTROYED TAXABLE PROPERTY

Owner's Name _____ Assessor's Parcel No. _____

Mailing Address _____

Property Address or Location _____

Date of Damage or Destruction _____

Date Repair Began (if started) _____ Date Completed (if finished) _____

VALUES	OWNER'S ESTIMATE OF LOSS	OWNER'S EST. OF VALUE AFTER LOSS	NATURE OF DAMAGE DESTRUCTION
Real Property:			
Land			
Improvement Structures			
Improvement Fixtures			
Sub-Total			
Personal Property:			
Business Equip.			
Boat or Aircraft			
Totals			

I hereby apply for reassessment of the property described above. The property was damaged or destroyed without my fault.

If applicable, I hereby apply for deferral of payment of the next installment of taxes due for the current fiscal year.

This application, if executed outside of the State of California, must be verified by affidavit.

I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing and all information hereon, including any accompanying statements or documents, is true, correct and complete to the best of my knowledge and belief.

(Date)

(Signature)

(Telephone 8:00 a.m. to 5:00 p.m.)

(Print Name)