STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
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March 23, 2004

No. 2004/017

TO COUNTY ASSESSORS AND INTERESTED PARTIES:

PROPERTY TAX RULE 461,
REAL PROPERTY VALUE CHANGES

On September 29, 2003, the Board received a petition pursuant to Government Code section 11340.6 from Honorable Joan Thayer, President, California Assessors' Association (CAA), proposing that the Board commence the rulemaking process to amend Property Tax Rule 461, *Real Property Value Changes*. At a meeting on December 4, 2003, the Board directed staff to work with interested parties to discuss the issues that were raised in the petition and to schedule the rule for action by the Property Tax Committee.

Enclosed is a matrix showing the change to Rule 461 proposed by the CAA in the petition. If you have comments about the proposed amendment, please submit comments by April 30 to Mr. David Yeung in the Property and Special Taxes Department. You may email your submission to david.yeung@boe.ca.gov.

The project is tentatively scheduled to proceed as follows:

- April 30, 2004: Deadline for interested parties to submit comments.
- May 2004: Staff to post a copy of a matrix summarizing comments received from interested parties to the Board's Web site (www.boe.ca.gov/proptaxes/ptcwcont.htm).
- May 2004: Staff to meet with interested parties to discuss the proposed amendments.
- September 2004: Property Tax Committee to consider petition to amend the rule.

All documents regarding this project will be posted to the Board's Web site at www.boe.ca.gov/proptaxes/ptcwcont.htm. If you have questions regarding this project or would like to receive future documents concerning this project electronically, you may contact Mr. Yeung at (916) 324-2812.

Sincerely,

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:sk
Enclosure

PROPERTY TAX RULE 461,
Real Property Value Changes

Petition for rule amendment by the
California Assessors' Association – September 25, 2003

SUBSECTION	PROPOSED LANGUAGE
(e)	Declines in value will be determined by comparing the current lien date full value of the appraisal unit to the indexed base year full value of the same unit for the current lien date. Land and improvements constitute an appraisal unit except when measuring declines in value caused by disaster, in which case land shall constitute a separate unit. For purposes of this subsection fixtures and other machinery and equipment classified as improvements <u>may</u> constitute a separate appraisal unit.