

Rule 472, 902, 904
Section 100

Complete Rule Making File

OAL Approval with Approved Text Rule 472, 902, 904

Index

1. *Form 400 and Proposed Rule 472, 902, 904*
2. *Statement of Explanation*
3. *AB 2252*

Other Documents Relied upon

- A. *Chief Counsel Memo Dated 01/06/15*
- B. *Minutes, 01/21/15*
- C. *Reporters Transcript, 01/21/15*

**State of California
Office of Administrative Law**

In re:

Board of Equalization

Regulatory Action:

Title 18, California Code of Regulations

Adopt sections:

Amend sections: 472, 902, 904

Repeal sections:

NOTICE OF APPROVAL OF CHANGES
WITHOUT REGULATORY EFFECT

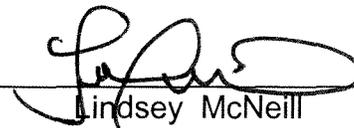
California Code of Regulations, Title 1,
Section 100

OAL File No. 2015-0204-02 N

This change without regulatory effect filing by the Board of Equalization (BOE) revises section 472 of title 18 of the California Code of Regulations (CCR) to update a statutory reference and authority citation. This filing also revises sections 902 and 904 of title 18 of the CCR to update the name of the Board's Valuation Division to the State-Assessed Property Division.

OAL approves this change without regulatory effect as meeting the requirements of California Code of Regulations, Title 1, section 100.

Date: 3/19/2015


Lindsey McNeill
Attorney

For: DEBRA M. CORNEZ
Director

Original: Cynthia Bridges
Copy: Richard Bennion

RECEIVED

MAR 20 2015

Board Proceedings

OFFICE OF ADMINISTRATIVE LAW

300 Capitol Mall, Suite 1250
Sacramento, CA 95814
(916) 323-6225 FAX (916) 323-6826



DEBRA M. CORNEZ
Director

MEMORANDUM

TO: Richard Bennion
FROM: OAL Front Desk *Jo*
DATE: 3/20/2015
RE: Return of Approved Rulemaking Materials
OAL File No. 2015-0204-02N

OAL hereby returns this file your agency submitted for our review (OAL File No. 2015-0204-02N regarding Valuation of Real Property Interests in Timeshare Estates).

If this is an approved file, it contains a copy of the regulation(s) stamped “ENDORSED APPROVED” by the Office of Administrative Law and “ENDORSED FILED” by the Secretary of State. The effective date of an approved regulation is specified on the Form 400 (see item B.5). **Beginning January 1, 2013**, unless an exemption applies, Government Code section 11343.4 states the effective date of an approved regulation is determined by the date the regulation is filed with the Secretary of State (see the date the Form 400 was stamped “ENDORSED FILED” by the Secretary of State) as follows:

- (1) **January 1** if the regulation or order of repeal is filed on September 1 to November 30, inclusive.
- (2) **April 1** if the regulation or order of repeal is filed on December 1 to February 29, inclusive.
- (3) **July 1** if the regulation or order of repeal is filed on March 1 to May 31, inclusive.
- (4) **October 1** if the regulation or order of repeal is filed on June 1 to August 31, inclusive.

If an exemption applies concerning the effective date of the regulation approved in this file, then it will be specified on the Form 400. The Notice of Approval that OAL sends to the state agency will contain the effective date of the regulation. The history note that will appear at the end of the regulation section in the California Code of Regulations will also include the regulation’s effective date. Additionally, the effective date of the regulation will be noted on OAL’s Web site once OAL posts the Internet Web site link to the full text of the regulation that is received from the state agency. (Gov. Code, secs. 11343 and 11344.)

Please note this new requirement: Unless an exemption applies, Government Code section 11343 now requires:

1. **Section 11343(c)(1):** Within 15 days of OAL filing a state agency’s regulation with the Secretary of State, the state agency is required to post the regulation on its Internet Web site in an easily marked and identifiable location. The state agency shall keep the regulation posted on its Internet Web site for at least six months from the date the regulation is filed with the Secretary of State.
2. **Section 11343(c)(2):** Within five (5) days of posting its regulation on its Internet Web site, the state agency shall send to OAL the Internet Web site link of each regulation that the agency posts on its Internet Web site pursuant to section 11343(c)(1).

OAL has established an email address for state agencies to send the Internet Web site link to for each regulation the agency posts. Please send the Internet Web site link for each regulation posted to OAL at postedregslink@oal.ca.gov.

NOTE ABOUT EXEMPTIONS. Posting and linking requirements do not apply to emergency regulations; regulations adopted by FPPC or Conflict of Interest regulations approved by FPPC; and regulations not subject to OAL/APA review. However, an exempt agency may choose to comply with these requirements, and OAL will post the information accordingly.

DO NOT DISCARD OR DESTROY THIS FILE

Due to its legal significance, you are required by law to preserve this rulemaking record. Government Code section 11347.3(d) requires that this record be available to the public and to the courts for possible later review. Government Code section 11347.3(e) further provides that "...no item contained in the file shall be removed, altered, or destroyed or otherwise disposed of." See also the State Records Management Act (Government Code section 14740 et seq.) and the State Administrative Manual (SAM) section 1600 et seq.) regarding retention of your records.

If you decide not to keep the rulemaking records at your agency/office or at the State Records Center, you may transmit it to the State Archives with instructions that the Secretary of State shall not remove, alter, or destroy or otherwise dispose of any item contained in the file. See Government Code section 11347.3(f).

Enclosures

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

NONSUBSTANTIVE

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2015-0204-02N	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

<p style="text-align: center;">2015 FEB -4 PM 2:09</p> <p style="text-align: center;">OFFICE OF ADMINISTRATIVE LAW</p>	<p style="text-align: center;">2:26 PM</p>
NOTICE	REGULATIONS

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

MAR 19 2015

2:26 PM

AGENCY WITH RULEMAKING AUTHORITY State Board of Equalization	AGENCY FILE NUMBER (if any)
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A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE	
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed <input type="checkbox"/> Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON		TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY		ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Valuation of Real Property Interests in Timeshare Estates	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 472, 902, 904
TITLE(S) 18	REPEAL

3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)
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5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input checked="" type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify) _____			

7. CONTACT PERSON Richard E. Bennion	TELEPHONE NUMBER (916) 445-2130	FAX NUMBER (Optional) (916) 324-3984	E-MAIL ADDRESS (Optional) rbennion@boe.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE <i>Joann Richmond</i>	DATE February 4, 2015
TYPED NAME AND TITLE OF SIGNATORY Joann Richmond, Chief, Board Proceedings Division	

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

MAR 19 2015

Office of Administrative Law

**Text of Proposed Changes to
California Code of Regulations, Title 18, Section 472**

472. Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses.

(a) The full value of the real property interest of a timeshare estate or a timeshare use, as defined in ~~Section 11003.5~~section 11212 of the Business and Professions Code, shall be determined in accordance with the provisions of this section.

(b) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(c) . . . (unchanged).

(d) . . . (unchanged).

(e) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(4) . . . (unchanged).

(5) . . . (unchanged).

(6) . . . (unchanged).

(f) . . . (unchanged).

(g) . . . (unchanged).

(h) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(i) . . . (unchanged).

(j) . . . (unchanged).

(k) . . . (unchanged).

Note: Authority cited: Section 15606, Government Code; and ~~Section 998(e), Revenue and Taxation Code.~~ Reference: Section 998, Revenue and Taxation Code.

**Text of Proposed Changes to
California Code of Regulations, Title 18, Section 902**

902. Unitary Property Value Indicators and Staff Discussions.

Each year the ~~Valuation~~State-Assessed Properties Division shall make capitalization rate studies and develop value indicators applicable to the unitary property of each state assessee. A copy of the appropriate capitalization rate study and a summary of the calculations of the value indicators shall be provided by the Chief, ~~Valuation~~State-Assessed Properties Division, to the affected assessee on request. The assessee shall be informed that the staff will be available to discuss the data supplied.

Note: Authority cited: Section 15606, Government Code. Reference: Section 721, Revenue and Taxation Code.

**Text of Proposed Changes to
California Code of Regulations, Title 18, Section 904**

904. Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment.

(a) As soon as practical, the staff shall transmit unitary-value recommendations to the Board. Following this, but no later than May 31 each year, the Board will make and publicly announce individual value determinations. The Chief of the ~~Valuation~~State-Assessed Properties Division shall notify the state assessees of the values determined by the Board and the fact that a petition for reassessment of the unitary property must be filed, if at all, not later ~~than~~on July 20 of the year of the notice. The notice shall be accompanied by a copy of an appraisal data sheet containing the staff value indicators and value recommendation to the Board.

(b) On or before the last day of July, the Chief of the ~~Valuation~~State-Assessed Properties Division shall notify the state assessees of the values of nonunitary property. This notice shall inform the assessees that a petition for reassessment of nonunitary property must be filed, if at all, not later than September 20 of the year of the notice.

(c) On or before June 15, the Chief of the ~~Valuation~~State-Assessed Properties Division shall transmit notices of allocated assessed unitary values to each assessee. This notice will inform each assessee that a petition for a correction of an allocated assessment must be filed, if at all, no later than July 20 of the year of the notice.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 731, 732, and 746, Revenue and Taxation Code.

Memorandum

To : Lindsey McNeill
Office of Administrative Law
300 Capitol Mall, Suite 1250
Sacramento, CA 95814

Date: March 18, 2015

From : Richard Bennion
Regulations Coordinator
Board Proceedings Division, MIC: 80

Subject : *OAL File No. 2015-0204-02N*
Rule 472. Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses;
Rule 902. Unitary Property Value Indicators and Staff Discussions; Rule 904. Unitary and
Nonunitary Property Value Determinations and Petitions for Reassessment.

The Office of Administrative Law (OAL) is authorized to make the following substitutions and corrections in connection with the above-referenced rulemaking file:

1. Please replace the final text of Rule 472 with the revised text of Rule 472 attached to the email I sent to you.
2. Please replace the Statement of Explanation with the attached revised Statement of Explanation in the email I have sent to you.

If you have any questions or comments, please notify me at (916) 445-2130 or email at Richard.Bennion@boe.ca.gov.

REB

**CALIFORNIA PRISON INDUSTRY
AUTHORITY**

FOR: DEBRA M. CORNEZ
Director
Original: Charles Pattillo
Copy: Dawn Eger

State of California Office of Administrative Law

In re: California Prison Industry Authority

Regulatory Action: Title 15
California Code of Regulations

Adopt sections: 8100, 8101, 8102, 8104, 8105, 8106,
8107, 8108, 8110, 8111, 8112, 8113, 8114, 8115, 8116,
8117, 8118, 8119, 8119.1, 8120

Amend section: 8000

**DECISION OF DISAPPROVAL OF REGULA-
TORY ACTION**

Government Code Section 11349.3

OAL File No. 2015-0130-02 SR

SUMMARY OF REGULATORY ACTION

The California Prison Industry Authority (CALPIA) proposed this action to amend title 15 of the California Code of Regulations. These "Personnel" regulations govern employee conduct, including scheduling restrictions, interaction with ex-offenders, and both on- and off-duty behavior, emergency procedures, and light-duty assignments and reasonable accommodations. Also included are CALPIA's incompatible activity and personal information access regulations.

DECISION

On March 16, 2015, the Office of Administrative Law (OAL) notified CALPIA of the disapproval of this regulatory action. The reason for the disapproval was failure to comply with the "Authority," "Clarity," and "Necessity" standards of Government Code section 11349.1.

CONCLUSION

For the reasons set forth above, OAL has disapproved this regulatory action. If you have any questions, please contact me at (916) 322-3761.

Date: March 23, 2015

Eric Partington
Attorney

**SUMMARY OF REGULATORY
ACTIONS**

**REGULATIONS FILED WITH
SECRETARY OF STATE**

This Summary of Regulatory Actions lists regulations filed with the Secretary of State on the dates indicated. Copies of the regulations may be obtained by contacting the agency or from the Secretary of State, Archives, 1020 O Street, Sacramento, CA 95814, (916) 653-7715. Please have the agency name and the date filed (see below) when making a request.

File# 2015-0204-02
BOARD OF EQUALIZATION
Valuation of Real Property Interests in Timeshare Estates

This change without regulatory effect filing by the Board of Equalization (BOE) revises section 472 of title 18 of the California Code of Regulations (CCR) to update a statutory reference and authority citation. This filing also revises sections 902 and 904 of title 18 of the CCR to update the name of the Board's Valuation Division to the State-Assessed Property Division.

Title 18
California Code of Regulations
AMEND: 472, 902, 904
Filed 03/19/2015
Agency Contact:
Richard E. Bennion (916) 445-2130

File# 2015-0204-01
CALIFORNIA ARCHITECTS BOARD
Fees

This action by the California Architects Board/Landscape Architects Technical Committee (LATC), amends Title 16, California Code of Regulations, section 2649, relating to fees for landscape architect applicants. In order to comply with Business and Professions Code section 128.5, LATC approved a temporary license renewal fee reduction for licenses expiring on or after July 1, 2015, from \$400.00 to \$220.00. The \$400.00 renewal fee is reinstated for licenses expiring on or after July 1, 2017. The rulemaking also removes outdated references to fees.

Rule 472, 902, 904
Section 100

Index

1. *Form 400 and Proposed Rule 472, 902, 904*
2. *Statement of Explanation*
3. *AB 2252*

NOTICE PUBLICATION/REGULATIONS SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

NONSUBSTANTIVE

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2015-0204-02-N	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

2015 FEB -4 PM 2: 06
OFFICE OF
ADMINISTRATIVE LAW

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
State Board of Equalization

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE		TITLE(S)	FIRST SECTION AFFECTED	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Valuation of Real Property Interests in Timeshare Estates	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 472, 902, 904
TITLE(S) 18	REPEAL

3. TYPE OF FILING			
<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)			
<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input checked="" type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify)

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY			
<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal	
<input type="checkbox"/> Other (Specify) _____			

7. CONTACT PERSON Richard E. Bennion	TELEPHONE NUMBER (916) 445-2130	FAX NUMBER (Optional) (916) 324-3984	E-MAIL ADDRESS (Optional) rbennion@boe.ca.gov
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8. **I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.**

For use by Office of Administrative Law (OAL) only

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE February 4, 2015
TYPED NAME AND TITLE OF SIGNATORY Joann Richmond, Chief, Board Proceedings Division	

CHANGES WITHOUT REGULATORY EFFECT UNDER
CALIFORNIA CODE OF REGULATIONS, TITLE 1, SECTION 100

Statement of Explanation

Title 18. Public Revenues

Rule 472. *Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses.*

Rule 902. *Unitary Property Value Indicators and Staff Discussions.*

Rule 904. *Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment.*

A. Factual Basis

1. Rule 472

The State Board of Equalization (Board) adopted California Code of Regulations, title 18, section (Rule) 472, *Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses*, in 1984 to prescribe the manner in which county assessors shall determine the full value of the real property interest of a timeshare estate or a timeshare use for property tax purposes, pursuant to Revenue and Taxation Code (RTC) section 998. As relevant here, RTC section 998, subdivision (c), provided that, for purposes of section 998, the terms “‘time-share estate’ and ‘time-share use’ shall have the meanings set forth in Section 11003.5 of the Business and Professions Code,” prior to 2004. And, as a result, subdivision (a) of Rule 472 currently refers to a “timeshare estate or timeshare use, as defined in Section 11003.5 of the Business and Professions Code.”

However, section 4 of Assembly Bill No. (AB) 2252 (Stats. 2004, ch. 697) repealed Business and Professions Code (BPC) section 11003.5, including subdivisions (b) and (c), which formerly defined the terms “time-share estate” and “time-share use.” Section 14 of AB 2252 added chapter 2 (commencing with section 11210) to part 2 of division 4 of the BPC, which may be cited as the “Vacation Ownership and Time-share Act of 2004” (the Act), to provide more comprehensive state regulation of time-share plans and exchange programs, effective July 1, 2005. As relevant here, BPC section 11212 was included in the Act, and section 11212, subdivision (x), currently defines the terms “time-share estate” and “time-share use” for purposes of the Act. In addition, section 19 of AB 2252 amended RTC section 998, subdivision (c), to provide that, for purposes of section 998, the terms “‘time-share estate’ and ‘time-share use’ shall have the meanings set forth in paragraph (x) of Section 11212 of the Business and Professions Code.” Therefore, the proposed changes make Rule 472 consistent with the repeal

of BPC section 11003.5, the enactment of BPC section 11212, and the amendments to RTC section 998, subdivision (c), by replacing the reference to “Section 11003.5” of the BPC with a reference to “section 11212” of the BPC, so that subdivision (a) of Rule 472 refers to the current statutory definitions of “timeshare estate” and “timeshare use.”

In addition, the Board adopted Rule 472 in accordance with the Board’s authority under Government Code section 15606 to prescribe rules and regulations governing local boards of equalization when equalizing and county assessors when assessing. The Board also adopted Rule 472 in accordance with the mandate provided in RTC section 998, subdivision (e), providing that the Board “shall adopt by June 30, 1984, regulations to carry out the provisions of [RTC section 998].” And, as a result, Rule 472’s authority note currently contains references to Government Code section 15606 and RTC section 998, subdivision (e). However, section 8 of Senate Bill No. (SB) 299 (Stats. 1991, ch. 646) repealed RTC section 998, subdivision (e), in 1991 because subdivision (e) had served its purpose. Therefore, the proposed changes also delete the reference to RTC section 998, subdivision (e), from Rule 472’s reference note to make the rule consistent with the repeal of RTC section 998, subdivision (e), by SB 299.

The Board has determined that the proposed changes to Rule 472 are appropriate for processing under California Code of Regulations, title 1, section (Rule) 100, subdivision (a)(6). This is because the changes update a statutory cross-reference in subdivision (a) to make the regulation consistent with current law, the changes delete a reference to a repealed statute from the regulation’s authority note, the Board has no discretion to adopt changes that differ in substance from the proposed changes, and the proposed changes do not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.

2. Rules 902 and 904

Rule 902, *Unitary Property Value Indicators and Staff Discussions*, currently refers to the “Valuation Division” as the Board’s division that prepares capitalization rate studies and develops value indicators applicable to the unitary property of each state assessee, and refers to the Chief of the “Valuation Division” as the person responsible for providing such information to each affected assessee upon request. However, as a result of a department-wide reorganization of the Board’s Property and Special Taxes Department, on January 1, 2007, the department no longer has a division called the “Valuation Division,” the duties formerly assigned to the “Valuation Division” were assigned to the newly created “State-Assessed Properties Division,” and the duties formerly assigned to Chief of the “Valuation Division” were assigned to the Chief

of the newly created “State-Assessed Properties Division.”¹ The proposed changes replace Rule 902’s references to the “Valuation Division” and the Chief of the “Valuation Division” with references to the “State-Assessed Properties Division” and the Chief of the “State-Assessed Properties Division” to make Rule 902 consistent with names of the division and the chief of the division responsible for performing the duties referred to in the rule. In addition, the proposed changes will make Rule 902 consistent with Rules for Tax Appeals Regulations² 5311, *Definitions*, and 5322, *Information Available to Assesseees; Assessment Factor Hearings*, which were both adopted in 2007, and respectively define “State-Assessed Properties Division” and explain that that “State-Assessed Properties Division” is currently responsible for performing the capitalization rate studies and developing the value indicators referred to in Rule 902.

Similar to Rule 902, discussed above, Rule 904, *Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment*, also refers to the Chief of the “Valuation Division,” in this case, to identify the Chief of the “Valuation Division” as the person responsible for notifying state assesses of unitary and nonunitary property value determinations, allocated assessed unitary values, and of their deadlines to file petitions for reassessment and petitions for correction. In addition, subdivision (a) of Rule 904 contains a typographical error where it states that a petition for reassessment must be filed, if at all, “not later *then* July 20.” (Emphasis added.) Because of the department-wide reorganization of the Board’s Property and Special Taxes Department, as described above, the duties formerly assigned to the Chief of the “Valuation Division” were assigned to the chief of the newly created “State-Assessed Properties Division.” The proposed changes update Rule 904 by replacing the references to the Chief of the “Valuation Division” with references to the Chief of the “State-Assessed Properties Division.” In addition, the proposed changes make subdivision (a) of Rule 904 grammatically correct by replacing “then” with “than.”

The Board has determined that the proposed changes to Rules 902 and 904 are appropriate for processing under Rule 100. This is because the changes update Rules 902 and 904 to refer to the Board’s division or the chief of the Board’s division currently responsible for performing the duties referred to in the rules, but do not alter the duties that the Board’s staff is required to perform under both rules. The changes correct a typographical error in Rule 902, as permitted by Rule 100, subdivision (a)(4). And, as a result, the changes do not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.

B. Proposed Changes

¹For more information regarding the department-wide reorganization, see Letter to Assessors 2007/009, *Realignment of the Property and Special Taxes Department*, available on the Board’s website at www.boe.ca.gov/proptaxes/pdf/lta07009.pdf.

² The Rules for Tax Appeals Regulations are codified in division 2.1 of title 18 of the California Code of Regulations.

The following Rule 100 changes are proposed to Rules 472, 902, and 904:

TEXT OF PROPOSED CHANGES

472. Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses.

(a) The full value of the real property interest of a timeshare estate or a timeshare use, as defined in ~~Section 11003.5~~section 11212 of the Business and Professions Code, shall be determined in accordance with the provisions of this section.

(b) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(c) . . . (unchanged).

(d) . . . (unchanged).

(e) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(3) . . . (unchanged).

(4) . . . (unchanged).

(5) . . . (unchanged).

(6) . . . (unchanged).

(f) . . . (unchanged).

(g) . . . (unchanged).

(h) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(i) . . . (unchanged).

(j) . . . (unchanged).

(k) . . . (unchanged).

Note: Authority cited: Section 15606, Government Code; and ~~Section 998(e), Revenue and Taxation Code.~~ Reference: Section 998, Revenue and Taxation Code.

902. Unitary Property Value Indicators and Staff Discussions.

Each year the ~~Valuation~~State-Assessed Properties Division shall make capitalization rate studies and develop value indicators applicable to the unitary property of each state assessee. A copy of the appropriate capitalization rate study and a summary of the calculations of the value indicators shall be provided by the Chief, ~~Valuation~~State-Assessed Properties Division, to the affected assessee on request. The assessee shall be informed that the staff will be available to discuss the data supplied.

Note: Authority cited: Section 15606, Government Code. Reference: Section 721, Revenue and Taxation Code.

904. Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment.

(a) As soon as practical, the staff shall transmit unitary-value recommendations to the Board. Following this, but no later than May 31 each year, the Board will make and publicly announce individual value determinations. The Chief of the ~~Valuation~~State-Assessed Properties Division shall notify the state assessees of the values determined by the Board and the fact that a petition for reassessment of the unitary property must be filed, if at all, not later ~~than~~ July 20 of the year of the notice. The notice shall be accompanied by a copy of an appraisal data sheet containing the staff value indicators and value recommendation to the Board.

(b) On or before the last day of July, the Chief of the ~~Valuation~~State-Assessed Properties Division shall notify the state assessees of the values of nonunitary property. This notice shall inform the assessees that a petition for reassessment of nonunitary property must be filed, if at all, not later than September 20 of the year of the notice.

(c) On or before June 15, the Chief of the ~~Valuation~~State-Assessed Properties Division shall transmit notices of allocated assessed unitary values to each assessee. This notice will inform each assessee that a petition for a correction of an allocated assessment must be filed, if at all, no later than July 20 of the year of the notice.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 731, 732, and 746, Revenue and Taxation Code.

**Text of Proposed Changes to
California Code of Regulations, Title 18, Section 472**

472. Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses.

(a) The full value of the real property interest of a timeshare estate or a timeshare use, as defined in ~~Section 11003.5~~section 11212 of the Business and Professions Code, shall be determined in accordance with the provisions of this section.

(b) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(c) . . . (unchanged).

(d) . . . (unchanged).

(e) . . . (unchanged):

(1) . . . (unchanged).

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(h) . . . (unchanged):

(1) . . . (unchanged).

(2) . . . (unchanged).

(i) . . . (unchanged).

(j) . . . (unchanged).

(k) . . . (unchanged).

Note: Authority cited: Section 15606, Government Code; and ~~Section 998(e), Revenue and Taxation Code.~~ Reference: Section 998, Revenue and Taxation Code.

Assembly Bill No. 2252

CHAPTER 697

An act to amend Sections 11000, 11000.1, 11004.5, 11018.1, and 11018.5 of, to add Chapter 2 (commencing with Section 11210) to Part 2 of Division 4 of, to repeal Sections 11003.5, 11004.6, 11018.8, 11018.9, 11018.10, 11018.11, and 11024 of, and to repeal Article 8.5 (commencing with Section 10250) of Chapter 3 of Part 1 of Division 4 of, the Business and Professions Code, to amend Sections 1365.1 and 1367.1 of the Civil Code, to amend Section 25021 of the Corporations Code, to amend Section 30610 of the Public Resources Code, and to amend Sections 998, 2188.8, 2188.9, and 7280 of the Revenue and Taxation Code, relating to time-share developments.

[Approved by Governor September 22, 2004. Filed with Secretary of State September 22, 2004.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2252, Montanez. The Vacation Ownership and Time-share Act of 2004.

(1) Existing law defines time-share estates and uses for the purposes of various provisions of law relating to subdivided lands. Existing law also requires certain time-share projects to be registered with the Real Estate Commissioner in the Business, Transportation and Housing Agency and requires that an application for a time-share project permit comply with specified fee and registration requirements, including the issuance of a public report by the commissioner.

Existing law also makes it a misdemeanor or a felony to violate the provisions relating to time-share projects and the requirements for public reports filed in support of a time-share project application if certain conditions are met.

This bill would delete the provisions relating to certain time-share projects and instead enact, effective July 1, 2005, the Vacation Ownership and Time-share Act of 2004 to provide disclosure to purchasers and prospective purchasers of time-share plans and exchange programs, as defined, by time-share developers and exchange companies and would require specified time-share plans offered for sale in this state or created and existing in this state to comply with specified fee, registration, notice, and disclosure requirements with respect to oral and written communications, including the issuance of a public report by the commissioner. The bill would provide that time-share plans, exchange programs, incidental benefits, and short-term product subject



to this act are not “subdivisions” or “subdivided lands” within the meaning of the Subdivided Lands Act, and are exempt from other specified provisions of existing law.

This bill would authorize the commissioner to prescribe filing fees for an application for a public report and would provide that a violation of the bill’s provisions is subject to an order to desist and refrain from specific acts if certain requirements are met. The bill would also make it a public offense, among other things, for any person to fail to comply with the requirements for the issuance of a final public report, to make any material misrepresentation that is false or misleading in connection with any advertisement or promotion of a time-share plan, or to violate or fail to comply with provisions of the bill, as specified. By creating a new crime, the bill would impose a state-mandated local program.

The bill would declare that the regulation of time-share plans and exchange programs is an exclusive power and function of the state. The bill would also make other conforming and technical changes to other provisions affecting time-share projects, time-share plans, exchange programs, incidental benefits, short-term product, and other time-share interests, estates, and uses.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

(3) This bill would incorporate additional changes in Section 7280 of the Revenue and Taxation Code proposed by AB 1916 that would become operative only if AB 1916 and this bill are both chaptered and become effective on or before January 1, 2005, and this bill is chaptered last.

(4) This bill would incorporate additional changes in Sections 1365.1 and 1367.1 of the Civil Code proposed by SB 1682 and AB 2598, that would become operative only if this bill and either or both of these bills are enacted and become effective on or before January 1, 2005, as specified.

(5) This bill would incorporate additional changes in Sections 1365.1 and 1367.1 of the Civil Code proposed by SB 1682 and AB 2598, and changes consistent with AB 1836, that would become operative only if this bill and either SB 1682 or AB 2598 or both of these bills are enacted and become effective on or before January 1, 2005, and AB 1836 is enacted, as specified.



The people of the State of California do enact as follows:

SECTION 1. Article 8.5 (commencing with Section 10250) of Chapter 3 of Part 1 of Division 4 of the Business and Professions Code is repealed.

SEC. 2. Section 11000 of the Business and Professions Code is amended to read:

11000. (a) "Subdivided lands" and "subdivision" refer to improved or unimproved land or lands, wherever situated within California, divided or proposed to be divided for the purpose of sale or lease or financing, whether immediate or future, into five or more lots or parcels. However, land or lands sold by lots or parcels of not less than 160 acres which are designated by lot or parcel description by government surveys and appear as such on the current assessment roll of the county in which the land or lands are situated shall not be deemed to be "subdivided lands" or "a subdivision" within the meaning of this section, unless the land or lands are divided or proposed to be divided for the purpose of sale for oil and gas purposes, in which case the land or lands shall be deemed to be "subdivided lands" or "a subdivision" within the meaning of this section. This chapter also does not apply to the leasing of apartments, offices, stores, or similar space within an apartment building, industrial building, commercial building, or mobilehome park, as defined under Section 18214 of the Health and Safety Code, except that the offering of leases for a term in excess of five years to tenants within a mobilehome park as a mandatory requirement and prerequisite to tenancy within the mobilehome park shall be subject to the provisions of this chapter. The leasing of apartments in a community apartment project, as defined in Section 11004 in an apartment or similar space within a commercial building or complex, shall be subject to the provisions of this chapter.

(b) Nothing in this section shall in any way modify or affect any of the provisions of Section 66424 of the Government Code.

(c) Subdivisions, as defined in Section 10249.1, which are located entirely outside California shall be exempt from the provisions of this part.

SEC. 3. Section 11000.1 of the Business and Professions Code is amended to read:

11000.1. (a) "Subdivided lands" and "subdivision," as defined by Sections 11000 and 11004.5, also include improved or unimproved land or lands, a lot or lots, or a parcel or parcels, of any size, in which, for the purpose of sale or lease or financing, whether immediate or future, five or more undivided interests are created or are proposed to be created.



(b) This section does not apply to the creation or proposed creation of undivided interests in land if any one of the following conditions exists:

(1) The undivided interests are held or to be held by persons related one to the other by blood or marriage.

(2) The undivided interests are to be purchased and owned solely by persons who present evidence satisfactory to the Real Estate Commissioner that they are knowledgeable and experienced investors who comprehend the nature and extent of the risks involved in the ownership of these interests. The Real Estate Commissioner shall grant an exemption from this part if the undivided interests are to be purchased by no more than 10 persons, each of whom furnishes a signed statement to the commissioner that he or she (A) is fully informed concerning the real property to be acquired and his or her interest in that property including the risks involved in ownership of undivided interests, (B) is purchasing the interest or interests for his or her own account and with no present intention to resell or otherwise dispose of the interest for value, and (C) expressly waives protections afforded to a purchaser by this part.

(3) The undivided interests are created as the result of a foreclosure sale.

(4) The undivided interests are created by a valid order or decree of a court.

(5) The offering and sale of the undivided interests have been expressly qualified by the issuance of a permit from the Commissioner of Corporations pursuant to the Corporate Securities Law of 1968 (Division 1 (commencing with Section 25000) of Title 4 of the Corporations Code).

SEC. 4. Section 11003.5 of the Business and Professions Code is repealed.

SEC. 5. Section 11004.5 of the Business and Professions Code is amended to read:

11004.5. In addition to any provisions of Section 11000 of this code the reference therein to "subdivided lands" and "subdivision" shall include all of the following:

(a) Any planned development, as defined in Section 11003 of this code, containing five or more lots.

(b) Any community apartment project, as defined by Section 11004 of this code, containing five or more apartments.

(c) Any condominium project containing five or more condominiums as defined in Section 783 of the Civil Code.



subdivision, including, except with regard to a limited-equity housing cooperative, purchasers acquiring title by foreclosure, whether judicial or nonjudicial, or by deed in lieu thereof, under any mortgage or deed of trust, whether or not the mortgage or deed of trust was recorded prior to recordation of the covenants, conditions and restrictions applicable to the first lot, apartment, or condominium.

(d) Reasonable arrangements have been made for delivery of control over the subdivision and all offsite land and improvements included in the offering, to the purchasers of lots, apartments, or condominiums in the subdivision.

(e) Reasonable arrangements have been or will be made as to the interest of each of the purchasers of lots, apartments, or condominiums in the subdivision with respect to the management, maintenance, preservation, operation, use, right of resale, and control of their lots, apartments, or condominiums, and such other areas or interests, whether or not within, or pertaining to, areas within the boundaries of the subdivision, as have been or will be made subject to the plan of control proposed by the owner and subdivider, and which are included in the offering.

“Purchaser,” as used in this section, shall include within its meaning a lessee of the legal interests described in Section 11003 of this code.

SEC. 9. Section 11018.8 of the Business and Professions Code is repealed.

SEC. 10. Section 11018.9 of the Business and Professions Code is repealed.

SEC. 11. Section 11018.10 of the Business and Professions Code is repealed.

SEC. 12. Section 11018.11 of the Business and Professions Code is repealed.

SEC. 13. Section 11024 of the Business and Professions Code is repealed.

SEC. 14. Chapter 2 (commencing with Section 11210) is added to Part 2 of Division 4 of the Business and Professions Code, to read:

CHAPTER 2. THE VACATION OWNERSHIP AND TIME-SHARE ACT OF 2004

Article 1. General Provisions

11210. This chapter may be cited as the Vacation Ownership and Time-share Act of 2004.

11211. The purposes of this chapter are to do all of the following:



(a) Provide full and fair disclosure to the purchasers and prospective purchasers of time-share plans.

(b) Require certain time-share plans offered for sale or created and existing in this state to be subject to the provisions of this chapter.

(c) Recognize that the tourism industry in this state is a vital part of the state's economy; that the sale, promotion, and use of time-share plans is an emerging, distinct segment of the tourism industry; that this segment of the tourism industry continues to grow, both in volume of sales and in complexity and variety of product structures; and that a uniform and consistent method of regulation is necessary in order to safeguard California's tourism industry and the state's economic well-being.

(d) In order to protect the quality of California time-share plans and the consumers who purchase them, it is the intent of the Legislature that this chapter be interpreted broadly in order to encompass all forms of time-share plans with a duration of at least three years that are created with respect to accommodations that are located in the state or that are offered for sale in the state, including, but not limited to, condominiums, cooperatives, vacation clubs, and multisite vacation plans.

(e) It is the intent of the Legislature that this chapter not be interpreted to preempt the application of, the enforcement of, or alter the standards of, the general consumer protection laws of this state set forth in Sections 17200 to 17209, inclusive, and Sections 17500 to 17539.1, inclusive, of the Business and Professions Code.

11211.5. (a) This chapter applies to all of the following:

(1) Time-share plans with an accommodation or component site in this state.

(2) Time-share plans without an accommodation or component site in this state, if those time-share plans are sold or offered to be sold to any individual located within this state.

(3) Exchange programs as defined in this chapter.

(4) Short-term products as defined in this chapter.

(b) This chapter does not apply to any of the following:

(1) Time-share plans, whether or not an accommodation is located in this state, consisting of 10 or fewer time-share interests. Use of an exchange program by owners of time-share interests to secure access to other accommodations shall not affect this exemption.

(2) Time-share plans, whether or not an accommodation is located in this state, the use of which extends over any period of three years or less.

(3) Time-share plans, whether or not an accommodation is located in this state, under which the prospective purchaser's total financial obligation will be equal to or less than three thousand dollars (\$3,000) during the entire term of the time-share plan.



(c) For purposes of determining the term of a time-share plan, the period of any renewal or renewal option shall be included.

(d) Single site time-share plans located outside the state and component sites of multisite time-share plans located outside the state, that are offered for sale or sold in this state are subject only to Sections 11210 to 11219, inclusive, Sections 11225 to 11245, inclusive, Sections 11250 to 11256, inclusive, paragraphs (1), (2), (3), and (4) of subdivision (a), and subdivisions (b) and (c), of Section 11265, subdivision (g) of Section 11266, subdivisions (a) and (c) of Section 11267, Sections 11272 and 11273, subdivisions (b), (c), and (d) of Section 11274, and Sections 11280 to 11287, inclusive.

11211.7. (a) Any time-share plan registered pursuant to this chapter to which the Davis-Stirling Common Interest Development Act (Chapter 1 (commencing with Section 1350) of Part 4 of Division 2 of the Civil Code) might otherwise apply is exempt from that act, except for Sections 1354, 1355, 1355.5, 1356, 1357, 1358, 1361, 1361.5, 1362, 1363.05, 1364, 1365.5, 1370, and 1371 of the Civil Code.

(b) (1) To the extent that a single site time-share plan or component site of a multisite time-share plan located in the state is structured as a condominium or other common interest development, and there is any inconsistency between the applicable provisions of this chapter and the Davis-Stirling Common Interest Development Act, the applicable provisions of this chapter shall control.

(2) To the extent that a time-share plan is part of a mixed use project where the time-share plan comprises a portion of a condominium or other common interest development, the applicable provisions of this chapter shall apply to that portion of the project uniquely comprising the time-share plan, and the Davis-Stirling Common Interest Development Act shall apply to the project as a whole.

(c) (1) The offering of any time-share plan, exchange program, incidental benefit, or short term product in this state that is subject to the provisions of this chapter shall be exempt from Sections 1689.5 to 1689.14, inclusive, of the Civil Code (Home Solicitation Sales), Sections 1689.20 to 1689.24, inclusive, of the Civil Code (Seminar Sales), and Sections 1812.100 to 1812.129, inclusive, of the Civil Code (Contracts for Discount Buying Services).

(2) A developer or exchange company that, in connection with a time-share sales presentation or offer to arrange an exchange, offers a purchaser the opportunity to utilize the services of an affiliate, subsidiary, or third-party entity in connection with wholesale or retail air or sea transportation, shall not, in and of itself, cause the developer or exchange company to be considered a seller of travel subject to Sections 17550 to 17550.34, inclusive, of the Business and Professions Code, so



long as the entity that actually provides or arranges the air or sea transportation is registered as a seller of travel with the California Attorney General's office or is otherwise exempt under those sections.

(d) To the extent certain sections in this chapter require information and disclosure that by their terms only apply to real property time-share plans, those requirements shall not apply to personal property time-share plans.

11212. As used in this chapter, the following definitions apply:

(a) "Accommodation" means any apartment, condominium or cooperative unit, cabin, lodge, hotel or motel room, or other private or commercial structure containing toilet facilities therein that is designed and available, pursuant to applicable law, for use and occupancy as a residence by one or more individuals, or any unit or berth on a commercial passenger ship, which is included in the offering of a time-share plan.

(b) "Advertisement" means any written, oral, or electronic communication that is directed to or targeted to persons within the state or such a communication made from this state or relating to a time-share plan located in this state and contains a promotion, inducement, or offer to sell a time-share plan, including, but not limited to, brochures, pamphlets, radio and television scripts, electronic media, telephone and direct mail solicitations, and other means of promotion.

(c) "Association" means the organized body consisting of the purchasers of time-share interests in a time-share plan.

(d) "Assessment" means the share of funds required for the payment of common expenses which is assessed from time to time against each purchaser by the managing entity.

(e) "Commissioner" means the Real Estate Commissioner.

(f) "Component site" means a specific geographic location where accommodations that are part of a multisite time-share plan are located. Separate phases of a time-share property in a specific geographic location and under common management shall not be deemed a component site.

(g) "Conspicuous type" means either of the following:

(1) Type in upper and lower case letters two point sizes larger than the nearest nonconspicuous type, exclusive of headings, on the page on which it appears but in at least 10-point type.

(2) Conspicuous type may be utilized in contracts for purchase or public permits only where required by law or as authorized by the commissioner.

(h) "Department" means the Department of Real Estate.

(i) "Developer" means and includes any person who creates a time-share plan or is in the business of selling time-share interests, other



than those employees or agents of the developer who sell time-share interests on the developer's behalf, or employs agents to do the same, or any person who succeeds to the interest of a developer by sale, lease, assignment, mortgage, or other transfer, but the term includes only those persons who offer time-share interests for disposition in the ordinary course of business.

(j) "Dispose" or "disposition" means a voluntary transfer or assignment of any legal or equitable interest in a time-share plan, other than the transfer, assignment, or release of a security interest.

(k) "Exchange company" means any person owning or operating, or both owning and operating, an exchange program.

(l) "Exchange program" means any method, arrangement, or procedure for the voluntary exchange of time-share interests or other property interests. The term does not include the assignment of the right to use and occupy accommodations to owners of time-share interests within a single site time-share plan. Any method, arrangement, or procedure that otherwise meets this definition in which the purchaser's total contractual financial obligation exceeds three thousand dollars (\$3,000) per any individual, recurring time-share period, shall be regulated as a time-share plan in accordance with this chapter. For purposes of determining the purchaser's total contractual financial obligation, amounts to be paid as a result of renewals and options to renew shall be included in the term except for the following: (1) amounts to be paid as a result of any optional renewal that a purchaser, in his or her sole discretion may elect to exercise, (2) amounts to be paid as a result of any automatic renewal in which the purchaser has a right to terminate during the renewal period at any time and receive a pro rata refund for the remaining unexpired renewal term, or (3) amounts to be paid as a result of an automatic renewal in which the purchaser receives a written notice no less than 30 nor more than 90 days prior to the date of renewal informing the purchaser of the right to terminate prior to the date of renewal. Notwithstanding these exceptions, if the contractual financial obligation exceeds three thousand dollars (\$3,000) for any three-year period of any renewal term, amounts to be paid as a result of that renewal shall be included in determining the purchaser's total contractual financial obligation.

(m) "Incidental benefit" is an accommodation, product, service, discount, or other benefit, other than an exchange program, that is offered to a prospective purchaser of a time-share interest prior to the end of the rescission period set forth in Section 11238, the continuing availability of which for the use and enjoyment of owners of time-share interests in the time-share plan is limited to a term of not more than three years, subject to renewal or extension. The term shall not include an offer



of the use of the accommodation, product, service, discount, or other benefit on a free or discounted one-time basis.

(n) “Managing entity” means the person who undertakes the duties, responsibilities, and obligations of the management of a time-share plan.

(o) “Offer” means any inducement, solicitation, or other attempt, whether by marketing, advertisement, oral or written presentation, or any other means, to encourage a person to acquire a time-share interest in a time-share plan, other than as security for an obligation.

(p) “Person” means a natural person, corporation, limited liability company, partnership, joint venture, association, estate, trust, government, governmental subdivision or agency, or other legal entity, or any combination thereof.

(q) “Promotion” means a plan or device, including one involving the possibility of a prospective purchaser receiving a vacation, discount vacation, gift, or prize, used by a developer, or an agent, independent contractor, or employee of any of the same on behalf of the developer, in connection with the offering and sale of time-share interests in a time-share plan.

(r) “Public report” means a preliminary public report, conditional public report, final public report, or other such disclosure document authorized for use in connection with the offering of time-share interests pursuant to this chapter.

(s) “Purchaser” means any person, other than a developer, who by means of a voluntary transfer for consideration acquires a legal or equitable interest in a time-share plan other than as security for an obligation.

(t) “Purchase contract” means a document pursuant to which a developer becomes legally obligated to sell, and a purchaser becomes legally obligated to buy, a time-share interest.

(u) “Reservation system” means the method, arrangement, or procedure by which a purchaser, in order to reserve the use or occupancy of any accommodation of a multisite time-share plan for one or more time-share periods, is required to compete with other purchasers in the same multisite time-share plan, regardless of whether the reservation system is operated and maintained by the multisite time-share plan managing entity, an exchange company, or any other person. If a purchaser is required to use an exchange program as the purchaser’s principal means of obtaining the right to use and occupy accommodations in a multisite time-share plan, that arrangement shall be deemed a reservation system. When an exchange company utilizes a mechanism for the exchange of use of time-share periods among members of an exchange program, that utilization is not a reservation system of a multisite time-share plan.



(v) "Short-term product" means the right to use accommodations on a one-time or recurring basis for a period or periods not to exceed 30 days per stay and for a term of three years or less, and that includes an agreement that all or a portion of the consideration paid by a person for the short-term product will be applied to or credited against the price of a future purchase of a time-share interest or that the cost of a future purchase of a time-share interest will be fixed or locked-in at a specified price.

(w) "Time-share instrument" means one or more documents, by whatever name denominated, creating or governing the operation of a time-share plan and includes the declaration dedicating accommodations to the time-share plan.

(x) "Time-share interest" means and includes either of the following:

(1) A "time-share estate," which is the right to occupy a time-share property, coupled with a freehold estate or an estate for years with a future interest in a time-share property or a specified portion thereof.

(2) A "time-share use," which is the right to occupy a time-share property, which right is neither coupled with a freehold interest, nor coupled with an estate for years with a future interest, in a time-share property.

(y) "Time-share period" means the period or periods of time when the purchaser of a time-share plan is afforded the opportunity to use the accommodations of a time-share plan.

(z) "Time-share plan" means any arrangement, plan, scheme, or similar device, other than an exchange program, whether by membership agreement, sale, lease, deed, license, right to use agreement, or by any other means, whereby a purchaser, in exchange for consideration, receives ownership rights in or the right to use accommodations for a period of time less than a full year during any given year, on a recurring basis for more than one year, but not necessarily for consecutive years. A time-share plan may be either of the following:

(1) A "single site time-share plan," which is the right to use accommodations at a single time-share property.

(2) A "multisite time-share plan," which includes either of the following:

(A) A "specific time-share interest," which is the right to use accommodations at a specific time-share property, together with use rights in accommodations at one or more other component sites created by or acquired through the time-share plan's reservation system.

(B) A "nonspecific time-share interest," which is the right to use accommodations at more than one component site created by or acquired through the time-share plan's reservation system, but including no specific right to use any particular accommodations.



(aa) "Time-share property" means one or more accommodations subject to the same time-share instrument, together with any other property or rights to property appurtenant to those accommodations.

11213. Each time-share estate, as specified in paragraph (1) of subdivision (x) of Section 11212, constitutes, for purposes of title, a separate estate or interest in real property including ownership in real property for tax purposes.

11214. (a) The developer shall supervise, manage, and control all aspects of the offering of the time-share plan by or on behalf of the developer, including, but not limited to, promotion, advertising, contracting, and closing. The developer is responsible for each time-share plan registered with the commissioner and for the actions of any sales or marketing entity utilized by the developer in the offering or selling of any registered time-share plan.

(b) Any violation of this chapter that occurs during the offering activities shall be deemed to be a violation by the developer as well as by the person who actually committed the violation.

11215. (a) The time-share instrument shall prohibit a person from seeking or obtaining, through any legal procedures, judicial partition of the time-share interest or sale of the time-share interest, in lieu of partition and shall subordinate all rights that a time-share interest owner might otherwise have as a tenant-in-common in real property to the terms of the time-share instrument.

(b) Subdivision (a) shall not be deemed to prohibit a sale of an accommodation upon termination of the time-share plan or the removal of an accommodation from the time-share plan in accordance with applicable provisions of the time-share instrument.

11216. (a) An exchange program is not a part of a time-share plan offering and, except as provided in this section and Section 11238, shall not be subject to either this chapter or the regulations of the commissioner adopted pursuant to this chapter.

(b) If a developer offers a purchaser the opportunity to subscribe to or to become a member of an exchange program, the developer shall provide to the purchaser in writing all of the information set forth in paragraphs (1) to (17), inclusive. If the exchange company is offering directly to the purchaser the opportunity to subscribe to or become a member of an exchange company, the exchange company shall provide to the purchaser in writing all of the information set forth in paragraphs (1) to (17), inclusive. In either case, the written information shall be provided prior to or concurrently with the execution of any contract or subscription for membership in the exchange program.

(1) The name and address of the exchange company.



time-share project, estate, or use, as defined in Section 11212 of the Business and Professions Code. If any improvement to an existing structure is otherwise exempt from the permit requirements of this division, no coastal development permit shall be required for that improvement on the basis that it is to be made in connection with any conversion exempt pursuant to this subdivision. The division of a multiple-unit residential structure into condominiums, as defined in Section 783 of the Civil Code, shall not be considered a time-share project, estate, or use for purposes of this subdivision.

(i) (1) Any proposed development which the executive director finds to be a temporary event which does not have any significant adverse impact upon coastal resources within the meaning of guidelines adopted pursuant to this subdivision by the commission. The commission shall, after public hearing, adopt guidelines to implement this subdivision to assist local governments and persons planning temporary events in complying with this division by specifying the standards which the executive director shall use in determining whether a temporary event is excluded from permit requirements pursuant to this subdivision. The guidelines adopted pursuant to this subdivision shall be exempt from the review of the Office of Administrative Law and from the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) Exclusion or waiver from the coastal development permit requirements of this division pursuant to this subdivision does not diminish, waive, or otherwise prevent the commission from asserting and exercising its coastal development permit jurisdiction over any temporary event at any time if the commission determines that the exercise of its jurisdiction is necessary to implement the coastal resource protection policies of Chapter 3 (commencing with Section 30200).

SEC. 19. Section 998 of the Revenue and Taxation Code is amended to read:

998. (a) The full value of a time-share estate or a time-share use subject to tax under this division shall be determined by finding the real property value of the interest involved and shall not include the value of any nonreal property items, including, but not limited to, vacation exchange rights, vacation conveniences and services, and club memberships. Accordingly, the full value of a time-share estate or time-share use may be determined by reference to resort properties, condominiums, cooperatives, or other properties which are similar in size, type, and location to the property subject to time-share ownership and are not owned on a time-share basis. The aggregate assessed value of all the time-share estates or uses relating to a single lot, parcel, unit, or other segment of real property shall be determined by adding (1) the



fair market value of the similar lot, parcel, unit, or other segment not owned on a time-share basis, and (2) an amount necessary to reflect any increase or decrease to the market value attributable to the fact that the property is marketed in increments of time, or by any alternate method which will determine the real property value without regard to any nonreal property items which may be included.

(b) Nothing in this section shall authorize a reassessment of real property as a result of the creation or transfer of a time-share interest in the property unless the creation or transfer of the time-share interest constitutes a change in ownership under Chapter 2 (commencing with Section 60) of Part 2 and Section 2 of Article XIII A of the California Constitution.

(c) For purposes of this section, "time-share estate" and "time-share use" shall have the meanings set forth in paragraph (x) of Section 11212 of the Business and Professions Code, and "time-share interest" shall refer to both time-share estates and time-share uses.

(d) Nothing in this section may be construed as requiring the assessment of any property at less than fair market value as required by Section 401.

SEC. 20. Section 2188.8 of the Revenue and Taxation Code is amended to read:

2188.8. (a) Whenever the assessor receives a written request for separate assessment of time-share estates in a time-share project, as defined in Section 11212 of the Business and Professions Code and as specified in subdivision (h) of this section, the assessor shall, on the first lien date that occurs more than 60 days following the request, and on each lien date thereafter, separately assess each time-share estate in the project if the assessor determines that the conditions specified in subdivision (c) have been met. Whenever estates in a time-share project are separately assessed, they shall continue to be separately assessed in subsequent fiscal years and, once a request for separate assessment is made with respect to a project, it is binding on all future time-share estate owners.

(b) The interest that is to be separately assessed is the value of the right of recurrent, exclusive use or occupancy of real property, annually or on some other periodic basis, for a specific period of time that has been, or will be, allotted from the use or occupancy periods into which the project has been divided.

(c) The separate assessment of a time-share estate may not be made by the assessor unless both of the following occur:

(1) The person making the request certifies that the request for separate assessment has been approved in the manner provided in the



Memorandum

To: Ms. Cynthia Bridges
Executive Director, MIC: 73

Date: January 6, 2015

From: Randy Ferris
Chief Counsel

Subject: Board Meeting, January 21, 2015
Item J – Chief Counsel’s Rulemaking Calendar
Regulation 472, *Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses*
Regulation 902, *Unitary Property Value Indicators and Staff Discussions*
Regulation 904, *Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment*

We request your approval to place proposed changes to Property Tax Rules (Rules)¹ 472, *Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses*, 902, *Unitary Property Value Indicators and Staff Discussions*, and 904, *Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment*, on the Chief Counsel’s Rulemaking Calendar for the January 21, 2015, Board meeting.

Property Tax Rule 472, *Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses*

Subdivision (a) of Rule 472 currently refers to a “timeshare estate or timeshare use, as defined in Section 11003.5 of the Business and Professions Code.” However, section 4 of Assembly Bill No. (AB) 2252 (Stats. 2004, ch. 697) repealed Business and Professions Code (BPC) section 11003.5, including subdivisions (b) and (c), which formerly defined the terms “time-share estate” and “time-share use.” Section 14 of AB 2252 also added chapter 2 (commencing with section 11210) to part 2 of division 4 of the BPC, which may be cited as the “Vacation Ownership and Time-share Act of 2004” (the Act), to provide more comprehensive state regulation of time-share plans and exchange programs, effective July 1, 2005. As relevant here, BPC section 11212 was included in the Act, and section 11212, subdivision (x), currently defines the terms “time-share estate” and “time-share use” for purposes of the Act. The proposed changes make Rule 472 consistent with the repeal of BPC section 11003.5 and the enactment of BPC section 11212 by replacing the reference to section 11003.5 with a reference to section 11212, so that Rule 472 refers to the current statutory definitions of “timeshare estate” and “timeshare use.”

Property Tax Rule 902, *Unitary Property Value Indicators and Staff Discussions*

¹ All references to Property Tax Rules or Rules are to sections of title 18 of the California Code of Regulations.

Rule 902 currently refers to the “Valuation Division” as the State Board of Equalization (Board) division that prepares capitalization rate studies and develops value indicators applicable to the unitary property of each state assessee, and refers to the Chief of the “Valuation Division” as the person responsible for providing such information to each affected assessee upon request. As a result of a department-wide reorganization of the Board’s Property and Special Taxes Department, on January 1, 2007, the duties formerly assigned to the “Valuation Division” were assigned to the newly created “State-Assessed Properties Division.”² The proposed changes replace the rule’s references to the “Valuation Division” with references to the “State-Assessed Properties Division” to make Rule 902 consistent with the current name of the division responsible for performing the duties referred to in the rule. In addition, the proposed changes will make Rule 902 consistent with Rules for Tax Appeals Regulations³ 5311, subdivision (l), and 5322, subdivision (a), which respectively define “State-Assessed Properties Division” and explain that that “State-Assessed Properties Division” is currently responsible for performing the capitalization rate studies and developing the value indicators referred to in Rule 902.

Property Tax Rule 904, *Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment*

Similar to Rule 902, discussed above, Rule 904 also refers to the “Valuation Division,” in this case, to identify the Chief of the “Valuation Division” as the person responsible for notifying state assesses of unitary and nonunitary property value determinations, allocated assessed unitary values, and of their deadlines to file petitions for reassessment and petitions for correction. In addition, subdivision (a) of Rule 904 contains a typographical error where it states that a petition for reassessment must be filed, if at all, “not later *then* July 20.” (Emphasis added.) Because of the department-wide reorganization of the Board’s Property and Special Taxes Department, as described above, the proposed changes update Rule 904 by replacing the reference to the “Valuation Division” with a reference to the “State-Assessed Properties Division.” In addition, the proposed changes make subdivision (a) of Rule 904 grammatically correct by replacing “then” with “than.”

Conclusion

Based on the foregoing, Board staff will request the Board’s authorization to change Property Tax Rules 472, 902, and 904 under California Code of Regulations, title 1, section (Rule) 100, without the normal notice and public hearing process. These changes are appropriate for processing under Rule 100 because they make Rule 472 consistent with current law, update Rules 902 and 904 to refer to the division or the chief of the division currently responsible for performing the duties referred to in the rules, correct a typographical error in Rule 902, and do not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.

Attached are strikeouts and underlined versions of Property Tax Rules 472, 902, and 904, illustrating the proposed changes.

²For more information regarding the department-wide reorganization, see Letter to Assessors 2007/009, *Realignment of the Property and Special Taxes Department*.

³ The Rules for Tax Appeals Regulations are codified in division 2.1 of title 18 of the California Code of Regulations.

If you have any questions regarding this request, please let me know or contact Mr. Bradley Heller at 916-323-3091.

Recommendation by:

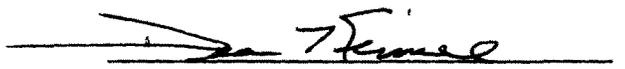
Approved:


Randy Ferris, Chief Counsel


Cynthia Bridges, Executive Director

Approved:

BOARD APPROVED
At the 1-21-15 Board Meeting


Dean Kinnee, Acting Deputy Director
Property and Special Taxes Department


Joann Richmond, Chief
Board Proceedings Division

RF:BH:yg

Attachments

- cc: Mr. David Gau MIC:73
- Mr. Dean Kinnee MIC:64
- Ms. Joann Richmond MIC:80
- Mr. Robert Tucker MIC:82
- Mr. Richard Moon MIC:82
- Mr. Bradley M. Heller MIC:82
- Ms. Glenna Schultz MIC:64
- Mr. Benjamin Tang MIC:64

Text of Proposed Changes to
California Code of Regulations, Title 18, Section 472

Rule 472. Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses.

(a) The full value of the real property interest of a timeshare estate or a timeshare use, as defined in ~~Section 11003.5~~section 11212 of the Business and Professions Code, shall be determined in accordance with the provisions of this section.

(b) In determining the value of the real property interest of a timeshare estate or use, consideration shall be given to the following factors which are unique to such interests:

(1) The fact that the timeshare estate or use is marketed in increments of time.

(2) The season of the year during which the owner is entitled to the right to use or possession of the property.

(c) The full value of the real property interest of a timeshare estate or use shall not include the value of any personal property or other nonreal property items. Such items include, but are not limited to, vacation exchange rights, vacation conveniences and services, and club memberships, as defined in subdivisions (d), (e), and (f).

The value of any nonreal property items included in the purchase price of a timeshare estate or use which are provided to the timeshare interest owner in exchange for a periodic fee or charge which is separate from the purchase price of the timeshare estate or use shall not be considered in the determination of the full value of the real property of the timeshare estate or use.

(d) "Nonreal property vacation exchange rights" shall include, but not be limited to, internal and external exchanges. An internal exchange means an exchange arranged by the timeshare project developer or operator for a timeshare estate or use owner between two or more resorts owned by the same developer or operator. An external exchange means an exchange arranged by an independent exchange network, which has a contractual relationship with either the timeshare project development or the individual timeshare owner.

(e) "Nonreal property vacation conveniences and services" shall include, but not be limited to:

(1) The owner's right to participate in exchange network.

(2) Maintenance and repair of buildings (interior and exterior) and grounds.

(3) Maid, meal, linen, and security guard services.

(4) Transportation, scheduling, and reservation services.

(5) Management services necessary for the administration of the operation of the property.

(6) The services of personnel charged with providing social or recreational instruction and planned activities.

(f) “Nonreal property club memberships” shall include memberships in recreational enterprises that are in the nature of licenses or permits to use real property but do not grant ownership interests in that property. Evidence that a membership grants a license or permit rather than an ownership interest includes, but is not limited to, the fact that the membership is offered as an option to timeshare purchases and that such memberships are also offered to others who do not own timeshare estates or uses.

(g) In determining the full value of the real property interest of a timeshare estate or use, the assessor shall consider the value concepts and approaches set forth in Sections 2, 3, 4, 6, and 8 of this chapter.

(h) The assessor may determine the value of the timeshare appraisal unit by the following method:

(1) Determine the full value of resort properties, condominiums, cooperatives, or other properties not marketed in increments of time but which are comparable to the subject property in terms of size, type, and location. Divide such full value by a unit of time equal to the timeshare interest being valued.

(2) Add to or subtract from the non-timeshare value quotient determined in (1), an amount necessary to reflect any increase or decrease in such value attributable to the fact that the subject property is marketed in increments of time and, if applicable, for a particular season.

(i) In addition to the method set forth in subdivision (h), the assessor may utilize any generally recognized alternative method of valuation to determine the full value of the real property of a timeshare estate or use.

(j) Nothing in this section shall be construed as requiring the assessment of a timeshare appraisal unit at less than full value as required by Section 401 of the Revenue and Taxation Code and as defined in Section 2 of this chapter.

(k) The provisions of this section are declaratory of, and not a change in existing law and are therefore applicable to the determination of all base year values for the real property interest of timeshare estates and uses.

Note: Authority cited: Section 15606, Government Code; and Section 998(e), Revenue and Taxation Code. Reference: Section 998, Revenue and Taxation Code.

Text of Proposed Changes to
California Code of Regulations, Title 18, Section 902

Rule 902. Unitary Property Value Indicators and Staff Discussions.

Each year the ~~Valuation~~State-Assessed Properties Division shall make capitalization rate studies and develop value indicators applicable to the unitary property of each state assessee. A copy of the appropriate capitalization rate study and a summary of the calculations of the value indicators shall be provided by the Chief, ~~Valuation~~State-Assessed Properties Division, to the affected assessee on request. The assessee shall be informed that the staff will be available to discuss the data supplied.

Note: Authority cited: Section 15606, Government Code. Reference: Section 721, Revenue and Taxation Code.

Text of Proposed Changes to
California Code of Regulations, Title 18, Section 904

Rule 904. Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment.

- (a) As soon as practical, the staff shall transmit unitary-value recommendations to the Board. Following this, but no later than May 31 each year, the Board will make and publicly announce individual value determinations. The Chief of the ~~Valuation~~State-Assessed Properties Division shall notify the state assessees of the values determined by the Board and the fact that a petition for reassessment of the unitary property must be filed, if at all, not later ~~than~~on July 20 of the year of the notice. The notice shall be accompanied by a copy of an appraisal data sheet containing the staff value indicators and value recommendation to the Board.
- (b) On or before the last day of July, the Chief of the ~~Valuation~~State-Assessed Properties Division shall notify the state assessees of the values of nonunitary property. This notice shall inform the assessees that a petition for reassessment of nonunitary property must be filed, if at all, not later than September 20 of the year of the notice.
- (c) On or before June 15, the Chief of the ~~Valuation~~State-Assessed Properties Division shall transmit notices of allocated assessed unitary values to each assessee. This notice will inform each assessee that a petition for a correction of an allocated assessment must be filed, if at all, no later than July 20 of the year of the notice.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 731, 732, and 746, Revenue and Taxation Code.

Wednesday, January 21, 2015

Unitary Land Escaped Assessments

Verizon California, Inc. (201)

2012, \$3,303,617.00 Unitary Value

2013, \$3,400,193.00 Unitary Value

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Horton, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board adopted the unitary land escaped assessment as recommended by staff.

U.S. TelePacific Corp. (7757)

2012, \$817,600.00 Unitary Value

2013, \$817,600.00 Unitary Value

2014, \$817,600.00 Unitary Value

Action: Upon motion of Ms. Harkey, seconded by Ms. Ma and unanimously carried, Mr. Horton, Mr. Runner, Ms. Ma and Ms. Harkey voting yes, Ms. Stowers not participating in accordance with Government Code section 7.9, the Board adopted the unitary land escaped assessment as recommended by staff.

OFFER-IN-COMPROMISE RECOMMENDATIONS

Action: Upon motion of Ms. Ma, seconded by Ms. Harkey and unanimously carried, Mr. Horton, Mr. Runner, Ms. Ma, Ms. Harkey and Ms. Stowers voting yes, the Board approved the Offer in Compromise Recommendations of *Nam Van Dang* and *Asiaican, Inc.*; *Cecilia Gomez*; *Marco Antonio Salinas*; and, *SIPS Café, Inc.* as recommended by staff.

CHIEF COUNSEL MATTERS**RULEMAKING****Section 100 Changes****Property Tax Rule 472, Valuation of Real Property Interests in Timeshare Estates and Timeshare Uses; Rule 902, Unitary Property Value Indicators and Staff Discussions; and, Rule 904, Unitary and Nonunitary Property Value Determinations and Petitions for Reassessment**

Bradley Heller, Tax Counsel, Tax and Fee Programs Division, Legal Department, was available to answer questions regarding staff's request for authorization to complete Section 100 changes to update statutory references in Rules 472, 902, and 904, and to correct a typographical error in Rule 904 ([Exhibit 1.8](#)).

Action: Upon motion of Mr. Runner, seconded by Ms. Ma and unanimously carried, Mr. Horton, Mr. Runner, Ms. Ma, Ms. Harkey and Ms. Stowers voting yes, the Board approved authorization to make Rule 100 changes updating statutory references in Rules 472, 902, and 904 as recommended by staff.

BEFORE THE CALIFORNIA STATE BOARD OF EQUALIZATION

450 N STREET
SACRAMENTO, CALIFORNIA

REPORTER'S TRANSCRIPT

JANUARY 21, 2015

CHIEF COUNSEL MATTERS

J RULEMAKING

SECTION 100 CHANGES

Reported by: Juli Price Jackson

No. CSR 5214

P R E S E N T

For the Board
of Equalization:

Jerome E. Horton
Chairman

Sen. George Runner (Ret.)
Vice-Chairman

Fiona Ma, CPA
Member

Diane L. Harkey
Member

Yvette Stowers
Appearing for Betty Yee,
State Controller (per
Government Code
Section 7.9)

Joann Richmond
Chief, Board
Proceedings Division

---oOo---

1 450 N STREET
2 SACRAMENTO, CALIFORNIA
3 JANUARY 21, 2015

4 ---oOo---

5 MS. RICHMOND: Our next item is Chief
6 Counsel Matter, item J, Section 100 change for J1.

7 We have Property Tax Rule 472, Valuation of
8 Real Property Interests in Timeshare Estates and
9 Timeshare Uses; Rule 902, Unitary Property Value
10 Indicators and Staff Discussions; and Rule 904,
11 Unitary and Nonunitary Property Value Determinations
12 and Petitions for Reassessment.

13 MR. HORTON: Members, these changes are
14 technical in nature and provide consistency with
15 various areas of the law in our rulemaking process.
16 And I would, with your permission, like to take
17 these items up as one vote.

18 Hearing no objections, is there a motion?

19 MR. RUNNER: So moved.

20 MR. HORTON: Move adoption of all items.

21 Thank you, Mr. Heller.

22 Second by Member Ma.

23 Without objection, such will be the
24 order.

25 ---oOo---

26
27
28

REPORTER'S CERTIFICATE.

State of California)
) ss
County of Sacramento)

I, JULI PRICE JACKSON, Hearing Reporter for the California State Board of Equalization certify that on JANUARY 21, 2015 I recorded verbatim, in shorthand, to the best of my ability, the proceedings in the above-entitled hearing; that I transcribed the shorthand writing into typewriting; and that the preceding pages 1 through 4 constitute a complete and accurate transcription of the shorthand writing.

Dated: FEBRUARY 2, 2015

Juli Price Jackson

JULI PRICE JACKSON

Hearing Reporter

