STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
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Fourth District, Pasadena

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Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

June 11, 1982

No. 82/80

TO COUNTY ASSESSORS, COUNTY COUNSELS,
AND OTHER INTERESTED PARTIES:

PROPERTY TAXES RULES
255, 371-380, and 401-412

Enclosed is the notice of public hearing to be held Tuesday, July 27, 1982, at 2:00 p.m., in Room 102, 1020 N Street, Sacramento, California, on the proposed repeal of property taxes rules 255, 371-380, and 401-412. These are procedural rules dealing with the Board's Intercounty Equalization program, which is no longer in effect.

Repeal of the rules reflect the Board's comprehensive review of the property tax rules and of comments received from the California Assessors Association and other interested parties. The review is being conducted under the provisions of state law requiring all rules meet statutory standards of authority, necessity, clarity, consistency and reference. Subject to further consideration, the State Board of Equalization has concluded that these rules should be repealed primarily because they are obsolete.

Written comments for the Board's consideration, requests to present testimony at the public hearing, or questions regarding the specific regulations should be directed to me at the above address.

Sincerely,

Janice Masterton

Janice Masterton
Assistant to Executive Secretary

JM:sw
Enclosure

NOTICE OF PROPOSED REGULATORY ACTION

BY THE

STATE BOARD OF EQUALIZATION

NOTICE IS HEREBY GIVEN that the State Board of Equalization, pursuant to the authority vested by Section 15606 of the Government Code, and to implement, interpret, or make specific Sections 109 and 109.5 of Chapter 1, Part 1, Division 1 of the Revenue and Taxation Code; Section 618 of Article 6, Chapter 3, Part 2, Division 1 of the Revenue and Taxation Code; Sections 1612, 1614, 1646 and 1815 - 1825 of Articles 1 and 2, Chapter 1 and Article 1, Chapter 2, Part 3, Division 1 of the Revenue and Taxation Code; Section 2152 of Chapter 1, Part 4, Division 1 of the Revenue and Taxation Code; Section 2601 of Chapter 2, Part 5, Division 1 of the Revenue and Taxation Code; and Article XIII, Section 18 of the California Constitution, proposes to repeal the following Regulations in Title 18 of the California Administrative Code, relating to property tax:

255 - Reflecting Intercounty Equalization Orders on Roll

371 - Definitions

373 - Notice of Commencement of Survey

374 - Notice to Assessor of Completion of Board Appraisals

375 - Scheduling of Discussion

376 - Conduct of the Discussion

377 - Participation in the Discussion

378 - Removal of Appraisal from List of Appraisals Completed

379 - Report of Results of Discussion

380 - Copies of Records to be Provided

401 - Transmittal of Estimates

402 - Tabulations; Notice for Inspection

403 - Inspection by Interested Persons

404 - Petition for Reconsideration of Tabulations; Notice

405 - Adjustment of Tabulations; Public Inspection

406 - Statement of Proposed Changes in Roll

407 - Request for Hearing

408 - Time and Manner of Filing Request for Hearing

409 - Notice of Hearing; Time and Place

410 - Hearing

411 - Finding by Board

412 - Final Statement; Notice

PUBLIC NOTICE: Notice is further given that a public hearing relevant to this action will be held in Room 102, Consumer Affairs Building, 1020 N Street, Sacramento, California, at 2:00 p.m., on July 27, 1982. Any person interested may present statements or arguments orally at that time and place.

INFORMATIVE DIGEST: This proposed repeal of Rules 255, 371-380, and 401-412 is to cause Title 18 of the California Administrative Code, relating to property tax, to be in conformity with state law which requires the review of all regulations for necessity, authority, clarity, consistency, and reference. These enumerated rules are being repealed because they are not considered necessary to implement, interpret, or make specific any provision of existing law. The repeal of these sections will not, therefore, effect the administration of the respective tax laws.

Rule 255, which deals with equalization orders on the local roll, is being repealed because the Board of Equalization orders for which this rule was

originally drafted to accommodate is not likely to be issued under the provisions subsequently provided by Article XIII A of the California Constitution.

Rules 371-380, dealing with the board's intercounty equalization program, are being repealed because that intercounty equalization program has been essentially terminated for lack of funding. Moreover, the subsequent adoption of Article XIII A of the California Constitution so significantly altered the California Property Tax Law that these rules no longer correctly express equalization procedure.

Rules 401-412, dealing with the board's transmittal of its estimate of change in total full value of local assessable property, is being repealed because the adoption of Article XIII A of the California Constitution has caused these rules to be inappropriate and unnecessary.

ESTIMATE OF COST OR SAVINGS: The State Board of Equalization has determined that the proposed change will result in no direct or indirect cost or savings to any State, local, or Federal agency, school district, nor in Federal funding to the State.

INQUIRIES: Inquiries concerning this matter may be directed to Janice Masterton, at (916) 445-6479.

WRITTEN COMMENTS: Written statements or arguments will be considered by the Board if received by July 27, 1982; written statements or arguments are requested by July 7, 1982.

STATEMENT OF REASONS; EXPRESS TERMS: The Board has prepared a statement of the purpose of the proposed action and the information relied upon in making the change, and a strikeout and underscore version (express terms) of the proposed changes, both of which are available to the public upon request.

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

In the event there are any revisions to the published version of the regulation, these revisions

will be available to the public from Mrs. Masterton for a period of 15 days after the public hearing.

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

Dated: May 20, 1982

STATE BOARD OF EQUALIZATION

D D Bell

Douglas D. Bell
Executive Secretary

~~Rule No. 255. (Cal. Adm. Code) Reflecting Intercounty Equalization Orders on Roll~~

~~In the event of an equalization order by the board, the extended local secured assessment roll shall show values after such equalization. On an explanation sheet in the front of each volume of such roll shall be entered the following statement:~~

~~"All figures entered in the value columns headed 'Land,' 'Improvements,' 'Personal Property' and 'Net Value' on this roll reflect (an increase) (a decrease) of _____% made pursuant to an order issued by the State Board of Equalization under date of _____ _____, 19____."~~

~~Adopted September 1, 1967; effective October 7, 1967~~

~~References:—Sections 1816 and 1816.1, Revenue and Taxation Code~~

~~Rule No. 371. (Cal Adm. Code) Definitions~~

~~For the purposes of this article "division" shall mean the Intercounty Equalization Division of the State Board of Equalization.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 372. (Cal Adm. Code) Assessor to be Notified of Properties in Sample~~

~~As soon as the properties to be appraised in a survey conducted pursuant to Section 1815 of the Revenue and Taxation Code have been identified, the division shall provide the assessor with adequate identification data. The assessor shall be notified promptly of changes in the sample as they occur.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 373. (Cal Adm. Code) Notice of Commencement of Survey~~

~~A survey commences in a county within the meaning of Section 1816 of the Revenue and Taxation Code when the properties to be appraised in a county are assigned to division appraisers for direct field appraisal work. Preparatory work preceding field appraisals shall not be construed as a commencement of a survey. Notice that the survey has been commenced shall be mailed promptly by the division to the assessor of the county.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 374. (Cal Adm. Code) Notice to Assessor of Completion of Board Appraisals.~~

~~After commencement of a survey in a county, the division shall at monthly intervals mail or deliver a notice listing those appraisals completed during the previous monthly interval. The notice shall identify each property appraised and shall state the assessed and appraised values and the ratio of total assessed to total appraised value for each property. In the event that no appraisals are completed within any monthly interval, a statement to this effect shall be mailed to the assessor in lieu of the notice.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 375. (Cal Adm. Code) Scheduling of Discussion~~

~~Within 20 days after mailing or delivering a notice under Section 374 the division shall afford the assessor an opportunity to examine and discuss any completed appraisal with the division's appraisers. The examination and discussion of appraisals shall be conducted at the assessor's office and shall be scheduled by the division after consultation with the assessor at times which will permit completion of the examination and discussion of each appraisal as early as feasible during the 20-day period allowed by statute. The time allocated for this purpose shall be designed to permit the division to complete, with professional standards of quality, its statewide quota of appraisals within the fiscal year with the staff authorized by the Legislature.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 376. (Cal Adm. Code) Conduct of the Discussion~~

~~The discussion of each appraisal shall be directed to the development of all factual information relevant to the value of the property and to the identification and resolution of all issues concerning such information, appraisal techniques and their application to the subject property. In the discussion the assessor shall inform the division's appraisers of any error in or omission from the facts upon which the appraisal is based of which he has knowledge and shall present each of his specific objections to the findings and conclusions reflected by the appraisal, together with the grounds upon which he relies. The assessor and the division's appraisers shall each make available to the other their entire evaluation data and records with respect to any property included in the survey. The evaluation data shall be deemed to include all data on properties that were relied on in arriving at the appraised value of the properties.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 377. (Cal Adm. Code) Participation in the Discussion~~

~~Because of the limitations of time and staff, participation in the discussion shall be limited to the assessor, his staff, his counsel, division appraisers and other representatives of the Board. Under unusual circumstances, such as where the participation of the assessee is necessary to a determination of the facts on which an evaluation of the property depends, and upon agreement between the assessor and the division, the assessee of the appraised property may participate in the examination and discussion of the appraisal. No information or records relating to the property or business affairs of a person other than the assessee shall be disclosed to him.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 378. (Cal Adm. Code) Removal of Appraisal from List of Appraisals Completed~~

~~When the discussion of an appraisal reveals a conflict or uncertainty with regard to the facts on which the appraisal is based, and the conflict or uncertainty cannot be resolved by the division within the 20-day period allowed for review and discussion of completed appraisals, the appraisal may be removed by the division from the list of completed appraisals for that monthly interval by giving the assessor a written notice of the deletion. The appraisal shall be listed by the division as completed in the succeeding monthly interval in which the conflict or uncertainty has been resolved.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 379. (Cal Adm. Code) Report of Results of Discussion~~

~~The division shall mail or deliver to the assessor within the 20-day statutory period a written report on each appraisal which he examined and discussed with the division's staff. The report shall specify any adjustment to or modification of the appraisal resulting from the examination and discussion.~~

Adopted September 1, 1967, effective September 6, 1967

~~Rule No. 380. (Cal Adm. Code) Copies of Records to be Provided~~

~~Whenever a copy of a record of the division or the assessor is requested by the other party, it shall be provided at cost of reproduction.~~

Adopted September 1, 1967, effective September 6, 1967

~~Reference: Article XIII, Section 18, California Constitution,~~
~~Chapter 2, Part 3, Division 1, Revenue and Taxation Code~~

~~Rule No. 401. (Cal. Adm. Code) Transmittal of Estimates~~

~~The relationship between the total assessed value of the tangible property on the current local roll and the total full cash value of locally assessable tangible property estimated in accordance with Section 1817 of the Revenue and Taxation Code shall be computed for each county of the State by the third Monday in July of each year. The secretary of the board shall promptly transmit by mail to each county assessor and county superintendent of schools in the State and to the Superintendent of Public Instruction a statement of the preliminary determination relating to his county. This preliminary determination shall be made public by release to the principal news media of the State.~~

History: Adopted April 27, 1967, effective April 28, 1967.

~~Rule No. 402. (Cal. Adm. Code) Tabulations; Notice for Inspection~~

~~As part of the statement mentioned in Rule 401, or by separate written notice, the secretary of the board shall mail to each county assessor in the state, on or before the Wednesday following the third Monday in July of each year, a notice that the tabulations for his county prescribed by section 1818 of the Revenue and Taxation Code, are open for inspection, examination and discussion.~~

History: Adopted April 27, 1967, effective April 28, 1967
Amended January 6, 1971, effective February 18, 1971

~~Rule No. 403. (Cal. Adm. Code) Inspection by Interested Persons~~

~~Between the date the notice is given pursuant to Rule 402 and August 23, the tabulations pertaining to the county are open to and available for inspection by all persons interested during regular business hours at the offices of the board in Sacramento.~~

History: Adopted April 27, 1967, effective April 28, 1967.
Amended January 6, 1971, effective February 18, 1971

~~Rule No. 404. (Cal. Adm. Code) Petition for Reconsideration of Tabulations; Notice.~~

~~Any assessor may petition for reconsideration by the board of the tabulations pertaining to his county by filing a written petition with the secretary of the board at its offices in Sacramento. The petition shall, to the extent possible, specify what portion of the tabulations affecting property in his county he wishes to discuss and what, if any, adjustment he deems it appropriate for the board to make in the tabulations. The petition shall be filed with the secretary of the board prior to August 1. An oral hearing before the board shall be granted if such hearing is requested in the petition. Notice of the time and place for the hearing shall be mailed to the assessor not less than 5 days prior to the hearing date. All hearings shall be concluded by August 23.~~

History: Adopted April 27, 1967, effective April 28, 1967.
Amended January 6, 1971, effective February 18, 1971

~~Rule No. 405. (Cal. Adm. Code) Adjustment of Tabulations; Public Inspection~~

~~After making any adjustments it deems appropriate as the result of the discussions, but not later than August 23d, the tabulations pertaining to all counties shall be available for public inspection during regular business hours at the offices of the board in Sacramento.~~

History: Adopted April 27, 1967, effective April 28, 1967.

~~Rule No. 406. (Cal. Adm. Code) Statement of Proposed Changes in Roll~~

~~On September 2d of each year the secretary of the board shall transmit by mail to the county auditor and the board of supervisors and each city council involved a preliminary statement of the per centum that the board proposes to add to or deduct from the valuation of the roll.~~

History: Adopted April 27, 1967, effective April 28, 1967.

~~Rule No. 407. (Cal. Adm. Code) Request for Hearing~~

~~Any county that desires to be heard with respect to the per centum that the board proposes to add to or deduct from the valuation of the roll shall upon request in writing by the board of supervisors be afforded an opportunity to be heard by the board.~~

History: Adopted April 27, 1967, effective April 28, 1967.

~~Rule No. 408. (Cal. Adm. Code) Time and Manner of Filing Request for Hearing~~

~~The application of the county for hearing shall be submitted to the board by delivery to the secretary of the board at its offices in Sacramento prior to the tenth day of September. The application shall set forth the facts which the county believes would warrant change in the per centum that the board proposes to add to or deduct from the valuation of the roll.~~

History: Adopted April 27, 1967, effective April 28, 1967.

~~Rule No. 409. (Cal. Adm. Code) Notice of Hearing; Time and Place~~

~~If a county submits a timely application it shall be heard by the board prior to September 25th. The statement given under Rule 406 may contain a notice of the time and place of hearing in the event that a timely application therefor is subsequently filed by the county board of supervisors, or a separate notice of the time and place of hearing may be mailed by the secretary of the board to the county board of supervisors. When a separate notice of hearing is given, it shall be mailed not less than 5 days prior to the date of the hearing if time is available for concluding the equalization proceeding by September 25. In any event the notice shall be mailed not less than 3 days prior to the date of the hearing. The hearing shall be at the offices of the board in Sacramento.~~

History: Adopted April 27, 1967, effective April 28, 1967.

~~Rule No. 410. (Cal. Adm. Code) Hearing~~

~~At the time of the hearing on an application, the staff of the board will make an introductory presentation regarding the basis for the proposed raising or lowering of the valuation of the county's roll. The county shall present any pertinent evidence to show that a change is warranted in the proposed board action. The staff of the board may thereafter present any additional pertinent evidence bearing on the issues. The board shall then hear oral arguments. All testimony at the hearing shall be given on oath or affirmation.~~

History: Adopted April 27, 1967, effective April 28, 1967.

~~Rule No. 411. (Cal. Adm. Code) Finding by Board~~

~~The board shall consider whether the evidence presented at the hearing warrants a change in the preliminary statement of the per centum that should be added to or deducted from the valuation of the roll. If the board finds that the evidence warrants a change in the statement, it shall alter the statement accordingly.~~

History: Adopted April 27, 1967, effective April 28, 1967.

~~Rule No. 412. (Cal Adm. Code) Final Statement; Notice.~~

~~The secretary of the board shall notify the county auditor and the board of supervisors of the final determination of the board after hearing, by mailing to each of them, not later than September 25, a final statement of the per centum that the board has added to or deducted from the valuation of the roll.~~

History: Adopted April 27, 1967, effective April 28, 1967.