

RESTRICTED HISTORICAL PROPERTIES AUTHORITATIVE CITATIONS

The following provides the authoritative citations for the Restricted Historical Properties Survey Topic. In general, citations include Constitutional provisions, sections of the Revenue and Taxation Code, other applicable statutes, court cases, Property Tax Rules, *Assessors' Handbook Sections*, Letters To Assessors, and legal annotations pertaining to the topic.

CITATION	DESCRIPTION
California Constitution	
Article XIII, §8	The Legislature may define "property of historical significance" and provide for preferential assessment consistent with enforceable restrictions upon its use.
Government Code	
§50280	Cities or counties may execute historical property contracts with owners of historical properties to carry out the legislative intent of preservation.
§50820.1	Defines historical properties.
§50281	Specifies basic provisions historical property contracts must have.
§50281.1	The city or county can charge a fee for executing a historical property contract.
§50282	Provides for automatic extension of the contract upon its anniversary date and for nonrenewals of the contract.
§50284	The city or county may cancel a contract if the property owner fails to meet the conditions of the contract.
§50285	A public hearing is a prerequisite to cancellation of a historical property contract.
§50286	The fee for cancelling a historical property contract is 12.5 percent of the fair market value of the property.
§50287	Either the property owner or the public agency can bring court action to enforce a historical property contract.
§50288	A historical property contract is null and void upon acquisition of the property by a public entity exercising eminent domain.
§50289	In the event that unincorporated property subject to a historical property contract is annexed by a city, the city succeeds to the county in the contract.

CITATION	DESCRIPTION
§50290	Historical property owners and contracting public agencies may consult with the State Historical Resources Commission.
Revenue and Taxation Code	
§439	Property is "enforceably restricted" if it is subject to a historical property contract pursuant to Article 12, beginning with §50280 of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code.
§439.1	Restricted historical property means qualified historical property, as defined in §50280.1 of the Government Code, including both improvements and an area of land of reasonable size as a site for the historical structure.
§439.2	<p>When valuing enforceably restricted historical property, the county assessor must not consider sales data on similar property. The assessor shall value restricted historical property by the capitalization of income method using economic rent and expenses and a capitalization rate having components for an interest rate announced by the BOE no later than October 1, risk, property taxes, and amortization of the improvements.</p> <p>Absent contract provisions to the contrary, historical properties must be assessed at the lowest of restricted value, factored base year value, or current market value.</p>
§439.3	If either the county or city or the owner of restricted historical property subject to contract has served notice of nonrenewal, the county assessor shall value that restricted historical property each year using nonrenewal procedures that gradually discount the difference between unrestricted and restricted values for each year of the 9-year nonrenewal period.
§439.4	No property shall be valued according to the above unless an enforceable restriction meeting the requirements of §439 is signed, accepted, and recorded on or before the lien date for the fiscal year in which the valuation would apply.

CITATION	DESCRIPTION
Letters To Assessors	
79/187 Q & A 3	For the 1979 lien date and thereafter, enforceably restricted historical properties are valued pursuant to Article 1.9, Chapter 3, Part 2, of the Revenue and Taxation Code. When restrictions are cancelled or terminated by nonrenewal, the full cash value of such property is the value it would have under Article XIII A as if unrestricted.
2005/035	Guidelines pertaining to the assessment of enforceably restricted historical property.
2015/041	BOE-determined interest rate component of the historical property capitalization rate for the 2016 assessment year is 4.25 percent. Interest components for lien dates 1978 through 2015 also provided.
Annotations	
500.0005	Historical properties must be assessed at the lowest of factored base year value, current market value, or the §439.2 value.
500.0008	A historical property contract must be signed, accepted, and recorded on or before the lien date in order for the restricted valuation to be applied for the ensuing fiscal year. A conservation easement, although based on historical factors, does not qualify as a historical property contract for assessment purposes.
500.0030	A newly constructed building added to a qualified enforceably restricted historical property will not be eligible for valuation under §439.2 because it does not include all the basic structural elements of the existing historical building that is subject to the historical property contract.
500.0040	Although the assessor is required to establish a new base year value for a qualified historical property upon its change in ownership, per §50, the property is not subject to supplemental assessment, per §75.14.
500.0050	A historical property subject to cancellation or nonrenewal procedures will have as its full cash value, the taxable value that would have applied absent the enforceable restriction, that is, the lower of current market or factored base year value.
500.0051	To qualify for valuation under §439.2 or §439.3, a property must be encumbered by a contract that has been signed, accepted, and recorded on or before the lien date on which the restricted valuation is to apply.