Manufactured Homes

Periodically review manufactured home assessments for declines in value.

Section 5813 provides that the taxable value of a manufactured home shall be the lesser of its factored base year value or its full cash value as of the lien date, considering reductions in value due to damage, destruction, depreciation, obsolescence, or other factors causing a decline in value. Periodic review of manufactured homes ensures declines in value are recognized and properties are properly valued. Manufactured homes typically decline in value each year. Although the assessor is not required to reappraise all properties each year, the assessor should develop a program to periodically review the assessments of manufactured homes to ensure declines in value of manufactured homes are recognized accurately and consistently.

Exclude site value from the assessment of a manufactured home that is located on rented or leased land.

Section 5803(b) provides that the full cash value of a manufactured home located on rented or leased land does not include any value attributable to the particular site that would make the sale price different from its price at some other location on rented or leased land. This subdivision also provides that in determining the full cash value of a manufactured home on rented or leased land, the assessor shall consider, among other relevant factors, cost data issued pursuant to section 401.5 or sale prices listed in recognized value guides.

Enroll manufactured homes as personal property on the secured roll.

Section 5830 provides that the assessment of any manufactured home shall be entered on the secured roll and shall be subject to all provisions of law applicable to taxes on the secured roll. Section 5801 provides that a manufactured home shall not be classified as real property for property tax purposes unless it is affixed to the land on a permanent foundation system pursuant to Health and Safety Code section 18551.

According to Assessors' Handbook Section 511, Assessment of Manufactured Homes and Parks (AH 511), even though manufactured homes may be classified as personal property, many of the statutes relating to the taxation of personal property are not applicable to the taxation of manufactured homes. Some of the primary differences are: (1) assessments of manufactured homes are entered on the secured roll, (2) taxes on manufactured homes may be paid in two installments, (3) base year values are determined for manufactured homes on the dates they change ownership or upon completion of new construction, (4) base year values for manufactured homes are compounded annually by an inflation factor based on the California Consumer Price Index, not to exceed 2 percent of the prior year's value, (5) the taxable value of a manufactured home is the lesser of its factored base year value (FBYV) or its full cash value on the lien date, taking into account reductions in value due to any factor causing a decline in value, and
(6) a manufactured home which undergoes a change in ownership or new construction is subject to supplemental assessment.

Properly allocate the sale price of a manufactured home in a resident-owned mobilehome park (ROP) between the value of the manufactured home and the value of the interest in the park.

Letter To Assessors No. 99/87 and AH 511, describes the change in ownership procedure for residents' interests in spaces. AH 511 recommends that if the purchase price was negotiated in the open market at arm's length, the assessor should enroll the entire amount of the combined assessments of the manufactured home and the underlying interest in the park. The most reasonable way of allocating the value between the two assessments is to extract from the purchase price the value of the manufactured home, using one of the recognized value guides, and then assign the remainder of the purchase price to the interest in the park. This method of allocation ensures that the market value attributable to the location of the space being transferred is recognized. Enrolling an equalized or standard value to the property owner’s share or interest in the park overvalues some shares, while undervaluing others.