

Amend Revenue and Taxation Code Section 1840 to extend the deadline for local governments to file appeals with the BOE related to taxable government-owned property ("Section 11" appeals) from July 20 to November 30.

Source: Property Tax Department

Existing Law. Generally, the law¹ exempts local government-owned property from the property tax. The law² subjects some local government-owned property to tax when the property is located outside the local government's jurisdictional boundaries and the property was taxable when acquired. Taxable government-owned properties are referred to as "Section 11" properties after the section in the Constitution that requires their taxation. This same constitutional provision³ requires the Board of Equalization (BOE) to review these assessments ("Section 11" appeals) instead of the local county assessment appeals board where the property is located.

The law⁴ sets July 20 as the deadline to file Section 11 appeals. In cases when the assessor completes the assessment roll after July 1, the law extends the deadline until two weeks after the assessor completes and delivers the roll to the auditor. In these counties, the deadline would be two weeks after July 31.⁵

The appeals filing deadline for Section 11 properties differs from the deadline for other locally assessed property appeals. For appeals filed with the local assessment appeals board, generally the deadline is November 30. Nine counties have an earlier deadline of September 15.

This Proposal. This proposal extends the filing deadline for Section 11 appeals from July 20 to November 30. Establishing a November 30 filing deadline makes the appeals filing deadlines generally consistent with deadlines related to other locally assessed property appeals.

The proposal also deletes the language that extends the deadline by two weeks in certain instances because a November 30 deadline provides an adequate extension. Moreover, deleting this language gives applicants a date certain.

Background. The appeals procedure for Section 11 properties is unique. For other property valued by the county assessor, appeals are filed with the local assessment appeals board. Section 11 appeals are filed infrequently. In the last 20 years, five appeals have been filed, and the BOE has rendered only one decision.⁶ The remaining appeals were withdrawn after the assessor and local government reached agreement prior to the matter being set for hearing. One withdrawn appeal initially was filed erroneously with the local assessment appeals board. After some time, the parties discovered the BOE was the proper appeals body, and the appeal was transmitted to the BOE.

As a result of legislation enacted in 2001, the assessment appeals deadline for most counties changed from September 15 to November 30.⁷ At one time, all counties had an appeals deadline of September 15. Now the law provides an appeals deadline of either September 15 or November 30 depending upon

¹ Article XIII, [Section 3\(b\)](#) of the California Constitution

² Article XIII, [Section 11](#) of the California Constitution

³ Article XIII, Section 11(g)

⁴ Revenue and Taxation Code (RTC) [Section 1840](#)

⁵ RTC [Section 616](#) requires the assessor to complete the local assessment roll by July 1, but in many counties the assessor requests that the BOE extend its roll completion deadline to July 31 pursuant to RTC [Section 155](#). In 2014, 29 counties requested and received a deadline extension. In 2013, 28 counties requested and received the extension.

⁶ [East Bay Municipal Utility District v. County of Calaveras](#) (2003)

⁷ [AB 645](#) (Stats. 2001, Ch. 238, Horton)

whether the assessor mails assessed value notices to property owners by a certain date.⁸ Currently, nine counties⁹ have a September 15 deadline. The remaining 49 counties have a November 30 deadline.

This proposal extends the Section 11 appeals deadline to reflect the November 30 deadline provided to other property owners in most counties. For administrative simplicity, a single deadline for all appeals filed with the BOE, regardless of the county in which the property is located, is preferable and affords local governments the maximum amount of time to file.

Currently, no Section 11 appeals are pending before the BOE. This proposal proactively prevents a local government from mistakenly filing an appeal according to the county deadline when the earlier state deadline applies. Providing local governments less time to decide to proceed with an appeal than is available to other locally assessed property owners in the county lacks a rational basis. Moreover, extending the appeals deadline would not negatively impact the BOE's operations.

Section 1840 of the Revenue and Taxation Code is amended to read:

1840. If any county, city and county, or municipal corporation desires to secure a review, equalization, or adjustment of the assessment of its property by the board pursuant to subdivision (g) of Section 11 of Article XIII of the California Constitution, it shall apply to the board therefor in writing on or before July 20, ~~or within two weeks after the completion and delivery by the assessor of the local roll containing the assessment to the auditor as provided in Section 617, whichever is the later~~ November 30. If the assessment objected to is one made outside the regular period for such assessments, the application for review shall be filed with the board within 60 days from the date the tax bill is mailed to the assessee.

Every application shall show the facts claimed to require action of the board, and a copy thereof shall be filed with the assessor whose assessment is questioned. Upon receipt of a timely application, the board shall afford the applicant notice and a hearing in accordance with such rules and regulations as the board may prescribe. The failure to file a timely application shall bar the applicant from relief under subdivision (g) of Section 11 of Article XIII or this section.

⁸ RTC [Section 1603](#)

⁹ RTC [Section 619](#). [For 2015](#), the nine counties with a September 15 deadline include: Alameda, Inyo, Kings, Placer, San Francisco, San Luis Obispo, Santa Clara, Sierra, and Ventura.