

[Senate Bill 1480](#) (Governance and Finance Committee)

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Date: Introduced

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Program: Property Taxes

Sponsor: Board of Equalization

Revenue and Taxation Code Section 1840

Effective: January 1, 2017

Summary: Extends the deadline for local governments to file appeals with the Board of Equalization (BOE) related to taxable government-owned property ("Section 11" appeals) from July 20 to November 30.

Purpose: To align state and locally assessed property appeal filing deadlines.

Fiscal Impact Summary: No revenue impact.

Existing Law: Generally, the law¹ exempts local government-owned property from the property tax. However, the law² subjects local government-owned property to tax if 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 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. But 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 is typically 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.

Proposed Law: This bill 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 bill 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 a BOE 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.

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 617](#) requires the assessor to deliver the local assessment roll to the auditor as soon as it is completed. RTC [Section 616](#) requires the assessor to complete the roll by July 1, but many county assessors request a 30-day deadline extension from the BOE as RTC [Section 155](#) allows. In 2014, the BOE granted roll completion deadline extension requests to 29 counties. In 2013, the BOE granted 28 requests.

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

This staff analysis is provided to address various administrative, cost, revenue and policy issues; it is not to be construed to reflect or suggest the BOE's formal position.

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 a uniform appeals deadline of September 15. Now the law provides an appeals deadline of either September 15 or November 30 depending upon 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.

Commentary:

1. **Effect of the bill.** This measure 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.
2. **Currently, no Section 11 appeals are pending before the BOE.** This bill 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.

Administrative Costs: BOE would incur absorbable costs to modify [Regulation 5332](#), forms, publications, and website materials.

Revenue Impact: This bill has no impact on state or local revenues.

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

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.

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