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September 28, 2012

No. 2012/043

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

**Notice of Proposed Regulatory Action  
By the  
State Board of Equalization**

**Proposed to Adopt  
Amendments to California Code of Regulations, Title 18,  
Sections 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed  
Forms for Property Statements*, 252, *Content of Assessment Roll*, and  
1045, *Administration of the Annual Racehorse Tax***

**NOTICE IS HEREBY GIVEN**

The State Board of Equalization (Board), pursuant to the authority vested in it by Government Code section 15606 and Revenue and Taxation Code (RTC) section 5781, proposes to adopt amendments to California Code of Regulations, title 18, sections (Rules) 101, *Board-Prescribed Exemption Forms*, 171, *Board-Prescribed Forms for Property Statements*, 252, *Content of Assessment Roll*, and 1045, *Administration of the Annual Racehorse Tax*. Rules 101, 171, 252, and 1045 implement the provisions of Government Code section 15606 and RTC section 5781 by requiring county assessors to use Board-prescribed forms in the assessment of property for taxation, including the implementation of the annual racehorse tax imposed under part 12 (commencing with section 5701) of division 1, *Property Taxation*, of the RTC.

The proposed amendments revise the title of Rule 171 to better reflect its content, and revise the text of Rule 171 to reflect amendments made to RTC section 441.5, which permit county assessors to accept property statement information provided by alternative means. The proposed amendments to Rule 252 reflect the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll. The proposed amendments to Rule 252 clarify the notation used to denote escape assessments on the assessment roll, clarify Rule 252's cross reference to Rule 261, and clarify Rule 252's provisions

regarding the entry of the assessed value of exempt property on the assessment roll. The proposed amendments to Rule 252 also provide county assessors with notice of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet.

In addition, the proposed amendments clarify the existing provisions in Rules 101, 171, and 1045 that require county assessors to use Board-prescribed property tax forms and prescribe the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements. The proposed amendments change the due dates for form checklists specified in Rules 101, 171, and 1045. The proposed amendments add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites. The proposed amendments also update the reference note to Rule 101 so that it refers to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 so that it refers to additional RTC sections that are implemented by Board-prescribed property tax forms, and update the reference note to Rule 252 so that it refers to Government Code section 6254.21 and reflects the repeal of RTC section 75.30.

## **PUBLIC HEARING**

The Board will conduct a meeting in Room 121, at 450 N Street, Sacramento, California, on November 13-15, 2012. The Board will provide notice of the meeting to any person who requests that notice in writing and make the notice, including the specific agenda for the meeting, available on the Board's Website at [www.boe.ca.gov](http://www.boe.ca.gov) at least 10 days in advance of the meeting.

A public hearing regarding the proposed regulatory action will be held at 9:30 a.m. or as soon thereafter as the matter may be heard on November 13, 14, or 15, 2012. At the hearing, any interested person may present or submit oral or written statements, arguments, or contentions regarding the adoption of the proposed amendments to Rules 101, 171, 252, and 1045.

## **AUTHORITY**

The amendments to Rules 101, 171, 252, and 1045 are proposed under the authority provided by Government Code section 15606. The amendments to Rule 1045 are also proposed under the authority provided by RTC section 5781.

## **REFERENCE**

Rule 101, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 251, 253.5 and 254. Rule 171, as proposed to be amended, implements, interprets, and makes specific the provisions of RTC sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4, and 1063. Rule 252, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 6254.21

and RTC sections 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2, and 2601. Rule 1045, as proposed to be amended, implements, interprets, and makes specific, the provisions of Government Code section 15606 and RTC sections 469, 5701, 5721, 5765, 5768, 5781, and 5790.

## **INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW**

### Existing Laws and Regulations

Government Code section 15606, subdivision (c), authorizes the Board to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, RTC section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter “annual racehorse tax”).

Rule 101 currently requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board-prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board-prescribed prototype forms or to produce their own forms from the Board-prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms to meet the county assessors’ needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board-prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor to submit the revised form to the Board for approval that it conforms to the applicable rule’s requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

The date that property taxes for any fiscal year become a lien on property is referred to as the “lien date.” (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of “January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.” RTC section 5761 has not been amended since 1972.

Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home addresses and telephone numbers of

appointed or elected officials on the Internet without obtaining the officials' written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials' residing spouses and children on the Internet under specified circumstances.

In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board's approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

#### Effect, Objectives, and Benefits of the Proposed Amendments

Board staff initiated a project to update Rules 101, 171, 252, and 1045. The objectives of the project were to:

- Revise the title of Rule 171 to reflect that Rule 171 applies to report forms, in addition to property statements forms, which are already referred to in the rule's title;
- Add provisions to Rule 171 to reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- Revise Rules 101, 171, and 1045 to further clarify the rules' provisions requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule's requirements;
- Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year;
- Add provisions to Rules 101, 171, and 1045 that explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites;
- Revise Rule 252 to reflect the repeal of RTC section 75.30 by SB 1062, clarify the notation used to denote escape assessments on the assessment roll, clarify the rule's cross

reference to Rule 261, and clarify the provisions regarding the entry of the assessed value of exempt property on the assessment roll;

- Add provisions to Rule 252 to ensure that county assessors who post their local assessment rolls on the Internet are aware of Government Code section 6254.21's prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet; and
- Update the reference note to Rule 101 to refer to additional RTC sections that are implemented by Board-prescribed exemption forms, update the reference note to Rule 171 to refer to additional RTC sections that are implemented by Board-prescribed report forms or property statements, and update the reference note to Rule 252 to refer to Government Code section 6254.21 and reflect the repeal of RTC section 75.30.

As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff's proposed revisions to the rules and encouraged the county assessors and interested parties to review and comment on the drafts.

The counties generally approved of the draft language. However, a few counties noted that the word "furnished" was inadvertently replaced with the word "furnish" in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word "question" to the word "questions" in subdivision (a) of Rules 101, 171, and 1045, changing the word "carriers" to the word "carries" in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff's draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff's recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to: (1) ensure that the title of Rule 171 reflects the rule's content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensure that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, clarify the notation required by Rule 252 to denote escape assessments on the assessment roll, clarify Rule 252's cross reference to Rule 261, clarify Rule 252's provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensure that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in Government Code section 6254.21; (3) clarify the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarify the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule's requirements; (5) update the due dates for form checklists specified in Rules 101, 171, and 1045

to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explain when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites; and (7) update the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter of the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements;
- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
- Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
- Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
- Help encourage county assessors to make their current property tax forms available on Internet; and
- Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

The Board has performed an evaluation of whether the proposed amendments to Rules 101, 171, 252, and 1045 are inconsistent or incompatible with existing state regulations and determined that the proposed amendments are not inconsistent or incompatible with existing state regulations. This is because Rules 101, 171, and 1045 are the only existing state regulations prescribing the requirements that county assessors use Board-prescribed exemption forms, report forms and property statements, and annual racehorse tax forms, respectively, the proposed amendments to all three rules are consistent, and the proposed amendments to each rule are internally consistent. This is also because article 6 (commencing with Rule 251) of chapter 2 of division 1 of title 18 of the California Code of Regulations contains all of the regulations prescribing the content of assessment rolls and the proposed amendments to Rule 252 are not

inconsistent or incompatible with any of the current provisions of the other rules in article 6. In addition, there is no federal property tax and there are no comparable federal regulations or statutes to Rules 101, 171, 252, and 1045.

### **NO MANDATE ON LOCAL AGENCIES AND SCHOOL DISTRICTS**

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not impose a mandate on local agencies or school districts, including a mandate that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code.

### **NO COST OR SAVINGS TO STATE AGENCIES, LOCAL AGENCIES, AND SCHOOL DISTRICTS**

The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will result in no direct or indirect cost or savings to any state agency, any cost to local agencies or school districts that is required to be reimbursed under part 7 (commencing with section 17500) of division 4 of title 2 of the Government Code, other non-discretionary cost or savings imposed on local agencies, or cost or savings in federal funding to the State of California.

### **NO SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS**

The proposed amendments to Rules 101, 171, 252, and 1045: (1) make Rule 171 consistent with the amendments made to RTC section 441.5 by SB 822; (2) make Rule 252 consistent with the repeal of RTC section 75.30; (3) clarify the notation assessors use to denote escape assessments on assessment rolls; (4) clarify the procedures for entering the assessed value of exempt property on the assessment roll; (5) provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21; (6) clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms in accordance with Government Code section 15606 and RTC section 5781, and prescribing the procedures that county assessors must follow to ensure their forms comply with the applicable rule's requirements; (7) Update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the January 1 lien date, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (8) provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms; (9) encourage county assessors to develop uniform forms for use throughout the state; (10) encourage county assessors to request that the Board revise its forms or create new forms when needed; (11) encourage county assessors to make their property tax forms available on the Internet; and (12) generally help promote the use of uniform property tax forms throughout the state. The proposed amendments do not impose any obligations on businesses or change any requirements previously imposed on businesses. Therefore, the Board has made an initial determination that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant, statewide

adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

The adoption of the proposed amendments to Rules 101, 171, 252, and 1045 may affect small business.

### **NO COST IMPACTS TO PRIVATE PERSONS OR BUSINESSES**

The Board is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

### **RESULTS OF THE ECONOMIC IMPACT ANALYSIS REQUIRED BY GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)**

The Board has prepared the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1), and included it in the initial statement of reasons. The Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California. Furthermore, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not affect the health and welfare of California residents, worker safety, or the state's environment.

### **NO SIGNIFICANT EFFECT ON HOUSING COSTS**

Adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant effect on housing costs.

### **DETERMINATION REGARDING ALTERNATIVES**

The Board must determine that no reasonable alternative considered by it or that has been otherwise identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

### **CONTACT PERSONS**

Questions regarding the substance of the proposed amendments should be directed to Bradley M. Heller, Tax Counsel IV, by telephone at (916) 323-3091, by e-mail at [Bradley.Heller@boe.ca.gov](mailto:Bradley.Heller@boe.ca.gov), or by mail at State Board of Equalization, Attn: Bradley M. Heller, MIC:82, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0082.

Written comments for the Board's consideration, notice of intent to present testimony or witnesses at the public hearing, and inquiries concerning the proposed administrative action

should be directed to Mr. Rick Bennion, Regulations Coordinator, by telephone at (916) 445-2130, by fax at (916) 324-3984, by e-mail at [Richard.Bennion@boe.ca.gov](mailto:Richard.Bennion@boe.ca.gov), or by mail at State Board of Equalization, Attn: Rick Bennion, MIC:80, 450 N Street, P.O. Box 942879, Sacramento, CA 94279-0080.

### **WRITTEN COMMENT PERIOD**

The written comment period ends at 9:30 a.m. on November 13, 2012, or as soon thereafter as the Board begins the public hearing regarding the proposed amendments to Rules 101, 171, 252, and 1045 during the November 13-15, 2012, Board meeting. Written comments received by Mr. Rick Bennion at the postal address, email address, or fax number provided above, prior to the close of the written comment period, will be presented to the Board and the Board will consider the statements, arguments, and/or contentions contained in those written comments before the Board decides whether to adopt the proposed amendments to Rules 101, 171, 252, and 1045. The Board will only consider written comments received by that time.

### **AVAILABILITY OF INITIAL STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATION**

The Board has prepared underscored and strikeout versions of the text of Rules 101, 171, 252, and 1045 illustrating the express terms of the proposed amendments and an initial statement of reasons for the adoption of the proposed amendments, which includes the economic impact analysis required by Government Code section 11346.3, subdivision (b)(1). These documents and all the information on which the proposed amendments are based are available to the public upon request. The rulemaking file is available for public inspection at 450 N Street, Sacramento, California. The express terms of the proposed amendments and the initial statement of reasons are also available on the Board's Website at [www.boe.ca.gov](http://www.boe.ca.gov).

### **SUBSTANTIALLY RELATED CHANGES PURSUANT TO GOVERNMENT CODE SECTION 11346.8**

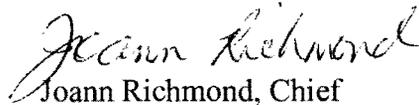
The Board may adopt the proposed amendments to Rules 101, 171, 252, and 1045 with changes that are nonsubstantial or solely grammatical in nature, or sufficiently related to the original proposed text that the public was adequately placed on notice that the changes could result from the originally proposed regulatory action. If a sufficiently related change is made, the Board will make the full text of the proposed amendments, with the change clearly indicated, available to the public for at least 15 days before adoption. The text of the resulting amendments will be mailed to those interested parties who commented on the original proposed amendments orally or in writing or who asked to be informed of such changes. The text of the resulting amendments will also be available to the public from Mr. Bennion. The Board will consider written comments on the resulting amendments that are received prior to adoption.

September 28, 2012

**AVAILABILITY OF FINAL STATEMENT OF REASONS**

If the Board adopts the proposed amendments to Rules 101, 171, 252, and 1045, the Board will prepare a final statement of reasons, which will be made available for inspection at 450 N Street, Sacramento, California, and available on the Board's Website at [www.boe.ca.gov](http://www.boe.ca.gov).

Sincerely,

  
Joann Richmond, Chief  
Board Proceedings Division

JR:reb

## **Initial Statement of Reasons**

### **Adoption of Proposed Amendments to California Code of Regulations, Title 18, Sections 101, *Board-Prescribed Exemption Forms, 171, Board-Prescribed Forms for Property Statements, 252, Content of Assessment Roll, and 1045, Administration of the Annual Racehorse Tax***

SPECIFIC PURPOSE, PROBLEM TO BE ADRESSED, NECESSITY, AND  
BENEFITS

#### Existing Laws and Regulations

Government Code section 15606, subdivision (c), authorizes the State Board of Equalization (Board) to prescribe rules and regulations to govern local boards of equalization and assessment appeals boards when equalizing, and county assessors when assessing. Government Code section 15606, subdivision (d), generally authorizes the Board to prescribe and enforce the use of forms for the assessment of property for taxation. In addition, Revenue and Taxation Code (RTC) section 5781 authorizes the Board to adopt rules and regulations and prescribe forms to implement part 12 (commencing with § 5701) of division 1 of the RTC, which imposes an annual tax on the owners of racehorses for the privilege of breeding, training, caring for, or racing their racehorses in this state, in lieu of any other property tax that would otherwise be imposed on racehorses under division 1 (hereafter “annual racehorse tax”).

California Code of Regulations, title 18, section (Rule) 101 currently requires the use of Board-prescribed forms for claiming property tax exemptions. Rule 171 currently requires the use of Board-prescribed property statement and report forms for reporting interests in personal and real property for assessment purposes. Rule 252 currently prescribes the general content of local assessment rolls county assessors prepare to assess property taxes. Rule 1045 currently requires the use of Board-prescribed Annual Racehorse Tax Returns and Annual Report of Boarded Racehorses forms for reporting the annual racehorse tax. In addition, Rules 101, 171, and 1045 currently grant county assessors the discretion to reproduce Board-prescribed prototype forms or to produce their own forms from the Board-prescribed prototype forms after rearranging the content and altering the size and design of the prototype forms to meet the county assessors’ needs. However, if a county assessor chooses to rearrange the content or alter the size and design of a Board-prescribed prototype form, then Rules 101, 171, and 1045 currently require the county assessor submit the revised form to the Board for approval that it conforms to the applicable rule’s requirements, along with a form checklist. The Board adopted Rules 101, 171, 252, and 1045, pursuant to Government Code section 15606. The Board also adopted Rule 1045 pursuant to Revenue and Taxation Code section 5781.

The date that property taxes for any fiscal year become a lien on property is referred to as the “lien date.” (RTC § 117.) The lien date was moved from March 1 to January 1 due to amendments made to RTC section 2192 by Statutes 1995, chapter 499. RTC section 5761 provides that the annual racehorse tax shall be determined as of “January 1 of the calendar year for which it is imposed and shall be immediately due and payable to the tax collector of the county in which the racehorse is domiciled.” RTC section 5761 has not been amended since 1972.

Government Code section 6254.21, subdivision (a), was enacted in 1998 (Stats. 1998, ch. 429) to prohibit state and local agencies from posting the home addresses and telephone numbers of appointed or elected officials on the Internet without obtaining the officials’ written permission. In addition, the legislature amended Government Code section 6254.21, subdivision (b), in 2002 (Stats. 2002, ch. 621) to also prohibit any person from knowingly posting the home addresses and telephone numbers of appointed or elected officials’ residing spouses and children on the Internet under specified circumstances.

In 2003, RTC section 75.30 was repealed by the enactment of Senate Bill No. (SB) 1062 (Stats. 2003, ch. 471). Section 75.30 previously required county assessors to place a “notice of a pending supplemental billing” on the assessment roll, and Rule 252, subdivision (a)(16), currently contains provisions implementing that requirement.

In 2009, the enactment of SB 822 (Stats. 2009, ch. 204) amended RTC section 441.5 in order to permit county assessors to accept property statement information provided by alternative means, including electronic filing. However, Rule 171 does not currently reflect the 2009 amendments to RTC section 441.5.

In addition, current law authorizes county assessors to request relevant tax information that is not required to be provided in Board-prescribed forms (see, e.g., RTC §§ 217, subd. (g), 441, subd. (d), and 5768) and, in some cases, expressly permits county assessors to develop and use their own forms with the Board’s approval. (See, e.g., RTC §§ 75.31, subd. (g), and 534, subd. (d).)

### Proposed Amendments

Board staff initiated a project to update Rules 101, 171, 252, and 1045. The specific purpose of the project was to address the following problems:

- The title of Rule 171 does not reflect that Rule 171 applies to report forms;
- Rule 171 does not reflect the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing;
- The provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms and prescribing the procedures county assessors are required to follow to ensure that their forms meet the applicable rule’s requirements could be more specific and clear;

- The due dates for the form checklists required by Rules 101 and 171 are based on the prior March 1 lien date, not the current January 1 lien date, and the due dates for the form checklists required by Rules 101, 171, and 1045 are not early enough in the year;
- Rules 101, 171, and 1045 do not contain provisions explaining when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and the rules do not encourage county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, or make their current property tax forms available on their websites;
- Rule 252 does not reflect the repeal of RTC section 75.30, which required county assessors to place a “notice of a pending supplemental billing” on the assessment roll, by SB 1062
- Rule 252 does not specifically prescribe the manner in which county assessors are required to denote escape assessments, and could more precisely cross reference Rule 261;
- Rule 252, subdivision (b) could more clearly explain the procedures for entering the assessed value of exempt property on the assessment roll;
- Rule 252 does not contain provisions notifying county assessors who post their local assessment rolls on the Internet about Government Code section 6254.21’s prohibitions against posting the home addresses and telephone numbers of appointed or elected officials and their residing spouses and children on the Internet;
- Rule 101’s reference note does not refer to all the RTC sections that are implemented by Board-prescribed exemption forms;
- Rule 171’s reference note does not refer to all the RTC sections that are implemented by Board-prescribed report forms or property statements; and
- Rule 171’s reference note refers to RTC section 469, which is not implemented by a Board-prescribed report form or property statement.

As a result, Board staff issued Letter to Assessors No. (LTA) 2012/015 on April 9, 2012, which informed county assessors and interested parties about the project to amend Rules 101, 171, 252, and 1045. The LTA also included drafts of staff’s proposed revisions to the rules to address the above problems and encouraged the county assessors and interested parties to review and comment on the drafts.

The counties generally approved of the draft language. However, a few counties noted that the word “furnished” was inadvertently replaced with the word “furnish” in the original text of Rule 171, subdivision (f), and that the draft language did not fully illustrate the renumbering of Rule 1045, subdivision (e), as subdivision (h). Also, one county suggested changing the word “question” to the word “questions” in subdivision (a) of Rules 101, 171, and 1045, changing the word “carriers” to the word “carries” in Rule 171, subdivision (d)(1), and reformatting Rules 101, subdivision (d)(2), 171, subdivision (g)(2), and 1045, subdivision (d)(2). As a result, staff made a few grammatical and formatting changes to each subdivision.

Subsequently, Board staff prepared Formal Issue Paper 12-008 and submitted it to the Board for consideration at its August 21, 2012, Property Tax Committee meeting. The issue paper recommended that the Board propose the adoption of staff's draft revisions to Rules 101, 171, 252, and 1045, with the grammatical and formatting changes noted above.

During its August 21, 2012, Property Tax Committee meeting, the Board determined that staff's recommended amendments to Rules 101, 171, 252, and 1045 are reasonably necessary to address the problems described above and carry out the specific purposes of: (1) ensuring that the title of Rule 171 reflects the rule's content and that the text of Rule 171 reflects the amendments made to RTC section 441.5 by SB 822, which permit county assessors to accept property statement information provided by alternative means, including electronic filing; (2) ensuring that Rule 252 reflects the repeal of RTC section 75.30, which required county assessors to place a "notice of a pending supplemental billing" on the assessment roll, clarifying the notation required by Rule 252 to denote escape assessments on the assessment roll, clarifying Rule 252's cross reference to Rule 261, clarifying Rule 252's provisions regarding the entry of the assessed value of exempt property on the assessment roll, and ensuring that county assessors who post their local assessment rolls on the Internet do not violate the prohibitions set forth in Government Code section 6254.21; (3) clarifying the provisions in Rules 101, 171, and 1045 requiring the use of Board-prescribed property tax forms; (4) clarifying the procedures in Rules 101, 171, and 1045 that county assessors are required to follow to ensure that their forms meet the applicable rule's requirements; (5) updating the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date from March 1 to January 1, and generally ensure that assessors provide their form checklists to the Board earlier in the year; (6) explaining when current law permits county assessors to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and encouraging county assessors to develop uniform forms for use throughout the state, request that the Board revise its forms or create new forms when needed, and make their current property tax forms available on their websites; and (7) updating the reference notes to Rules 101, 171, and 252. Therefore, the Board unanimously voted to propose the adoption of the recommended amendments.

The proposed amendments are anticipated to provide the following specific benefits:

- Ensure that Rule 171 is consistent with the amendments made to RTC section 441.5 by SB 822;
- Ensure that Rule 252 is consistent with the repeal of the requirements previously imposed by RTC section 75.30, and clearly explains how to denote an escape assessment on the assessment roll and how to enter the assessed value of exempt property on the assessment roll;
- Provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21;
- Clarify the provisions in Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors

- must follow to ensure that they are complying with the applicable rule's requirements;
- Ensure that Rules 101 and 171 reflect the amendments made to RTC section 2192 by Statutes 1995, chapter 499, which moved the lien date to January 1;
  - Provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state;
  - Help encourage county assessors to request that the Board revise its forms or create new forms when needed;
  - Help encourage county assessors to make their current property tax forms available on Internet; and
  - Promote fairness by helping to ensure the uniformity of property tax forms used throughout the state.

The proposed amendments to Rules 101, 171, 252, and 1045 were not mandated by federal law or regulations. There is no previously adopted or amended federal regulation that is identical to Rule 101, 171, 252, or 1045.

#### DOCUMENTS RELIED UPON

The Board relied upon Formal Issue Paper 12-008, the attachments to the formal issue paper, and the comments made during the Board's discussion of the formal issue paper during its August 21, 2012, Property Tax Committee meeting in deciding to propose the amendments to Rules 101, 171, 252, and 1045 described above.

#### ALTERNATIVES CONSIDERED

The Board considered whether to begin the formal rulemaking process to adopt the proposed amendments to Rules 101, 171, 252, and 1045 at this time or, alternatively, whether to take no action at this time. The Board decided to begin the formal rulemaking process to adopt the proposed amendments at this time because the Board determined that the amendments are reasonably necessary for the reasons set forth above.

The Board did not reject any reasonable alternative to the proposed amendments to Rules 101, 171, 252, and 1045 that would lessen any adverse impact the proposed action may have on small business or that would be less burdensome and equally effective in achieving the purposes of the proposed action. No reasonable alternative has been identified and brought to the Board's attention that would lessen any adverse impact the proposed action may have on small business, be more effective in carrying out the purposes for which the action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law than the proposed action.

INFORMATION REQUIRED BY GOVERNMENT CODE SECTION 11346.2,  
SUBDIVISION (b)(6) AND ECONOMIC IMPACT ANALYSIS REQUIRED BY  
GOVERNMENT CODE SECTION 11346.3, SUBDIVISION (b)

The proposed amendments make Rule 171 consistent with the amendments made to RTC section 441.5 by SB 822 and make Rule 252 consistent with the repeal of the requirements previously imposed by RTC section 75.30. The proposed amendments to Rule 252 also clearly explain how to denote an escape assessment on the assessment roll, clarify the procedures for entering the assessed value of exempt property on the assessment roll, and provide county assessors with additional notice regarding the prohibitions in Government Code section 6254.21. The proposed amendments clarify the provisions of Rules 101, 171, and 1045 requiring county assessors to use Board-prescribed forms, and prescribing the procedures that county assessors must follow to ensure that they are complying with the applicable rule's requirements. The proposed amendments to Rules 101, 171, and 1045 update the due dates for form checklists specified in Rules 101, 171, and 1045 to reflect the January 1 lien date, and generally ensure that assessors provide their form checklists to the Board earlier in the year. The proposed amendments to Rules 101, 171, and 1045 provide guidance to county assessors regarding their authority, under current law, to develop and use their own forms to request relevant information that is not requested in Board-prescribed forms, and help encourage county assessors to develop uniform forms for use throughout the state. The proposed amendments to Rules 101, 171, and 1045 also encourage county assessors to request that the Board revise its forms or create new forms when needed, and help encourage county assessors to make their current property tax forms available on Internet. As a result, the proposed amendments mainly clarify existing law and procedures regarding the use of forms by county assessors, and do not affect jobs or business in the state. Therefore, the Board has determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will neither create nor eliminate jobs in the State of California nor result in the elimination of existing businesses nor create or expand business in the State of California.

Furthermore, Rules 101, 171, 252, and 1045 do not regulate the health and welfare of California residents, worker safety, or the state's environment. Therefore, the Board has also determined that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not affect the health and welfare of California residents, worker safety, or the state's environment.

The forgoing information also provides the factual basis for the Board's initial determination that the adoption of the proposed amendments to Rules 101, 171, 252, and 1045 will not have a significant adverse economic impact on business.

The proposed amendments may affect small business.

**Text of Proposed Amendments to  
California Code of Regulations, Title 18, Sections 101, 171, 252, and 1045**

**101. Board-Prescribed Exemption Forms.**

(a) Content and Arrangement of Board-Prescribed Exemption Forms. ~~The procedure and forms prescribed by the board for claiming the exemptions named in Article 2, Chapter 1, Part 2, Division 1, of the Revenue and Taxation Code shall be employed by each assessor in the administration of the laws relating to such exemptions. Except as specifically authorized by the board with respect to heading, name and address of the property owner, location of the property, assessor's use columns, the sequence of questions, and the like, the assessor shall not change, add to, or delete the specific wording of the exemption form prescribed by the board, but the assessor may otherwise arrange the content and alter the size and design of an exemption form to meet the needs of office procedures and facilities.~~ A county assessor shall use board-prescribed exemption forms in the administration of the specific exemptions to which the forms relate. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the exemption forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed exemption form. An assessor may designate an area on a board-prescribed exemption form as for assessor's use only and may delete, edit, or move an area on a board-prescribed exemption form that is designated for assessor's use only. Subject to board approval, an assessor may also:

- (1) Alter the size of a board-prescribed exemption form to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on a board-prescribed exemption form; and
- (3) Change the orientation of a board-prescribed exemption form, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Exemption Forms. ~~Annually, on or before September~~ December 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed exemption claim forms, including instructions, which the assessor:

- (1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) Will produce ~~by other means~~ with changes authorized by subdivision (a)(1), (2), or (3) for use for that year; and ~~or~~
- (3) Will have no need.

(c) Approval of Board-Prescribed Exemption Forms. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each board-prescribed exemption form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3) by means other than reproduction of the prototypes. If a form does not conform with the specifications prescribed by the board, ~~as required by section 251 of the Revenue and Taxation Code and this rule,~~ the assessor shall be notified in writing of the variances. The assessor shall submit a revised exemption form within 30 days of the date of the notice.

(d) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax exemption form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(e) Forms Posted on the Internet. Counties are encouraged to make exemption forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 251, 253.5 and 254, Revenue and Taxation Code.

### **171. Board-Prescribed Report Forms for and Property Statements.**

(a) Content, and Arrangement, and Approval of Board-Prescribed Report Forms and Property Statements. ~~Except as specifically authorized by the board with respect to~~

~~heading, name and address of the taxpayer, location of the property, assessor's use columns, and the like, the assessor shall not change, add to, or delete the specific wording of property statement forms or mineral production report forms prescribed by the board or change the sequence of the questions, but the assessor may otherwise arrange the content and alter the size and design of a property statement or mineral production report form to meet the needs of office procedures and facilities.~~ A county assessor shall use board-prescribed report forms and property statements. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from report forms and property statements prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to board-prescribed report forms and property statements. An assessor may designate an area on a board-prescribed report form or property statement as for assessor's use only and may delete, edit, or move an area on a board-prescribed report form or property statement that is designated for assessor's use only. Subject to board approval, an assessor may also:

(1) Alter the size of board-prescribed report forms and property statements to meet the needs of office procedures and facilities;

(2) Bold specific text or enlarge font sizes on board-prescribed report forms and property statements; and

(3) Change the orientation of board-prescribed report forms or property statements, for example, from portrait layout to landscape layout.

(b) Checklist for Board-Prescribed Report Forms and Property Statements. Annually, on or before ~~October 15~~ September 1, the assessor shall notify the board, on a checklist provided by the board, of those board-prescribed property statements and report forms, including instructions, which the assessor:

(1) ~~W~~will reproduce from the current prototype forms, statements, and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;

(2) ~~W~~will produce with changes authorized by subdivision (a)(1), (2), or (3) ~~by other means~~ for use for that year; and

(3) ~~W~~will have no need.

(c) Approval of Board Prescribed Report Forms and Property Statements. When filing the checklist, the assessor shall submit to the board (either in hard copy or electronically) for approval a copy of each form, including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3) ~~by means other than reproduction of the prototypes~~. If a report form or property statement does not conform with the specifications prescribed by the board, ~~as required by section 452 of the Revenue~~

and Taxation Code, section 15606 of the Government Code, and this rule, the assessor shall be notified in writing of the variances. The assessor shall submit a revised report form or property statement within 30 days of the date of the notice.

(d) Filings and Attachments to Property Statements. The assessor is not required to obtain board approval for instructions pertaining to the format of attachments that an assessee elects to furnish in lieu of entering the information on the prescribed property statement. ~~However, such instructions shall include requirements that at least one copy of the property statement as printed by the assessor must be executed and contain appropriate references to the data on the attachment, and that all information required by the property statement must be furnished on the property statement or the attachments.~~ The assessor may, at the assessor's discretion, accept the information required on the property statement by any of the following methods:

(1) Attachments to the property statement if the attachments are in a format specified by the assessor and one copy of the property statement, as printed by the assessor, is signed by the taxpayer and carries an appropriate reference to the data attached;

(2) An electronically filed property statement that is authenticated as provided by Revenue and Taxation Code section 441, subdivision (k); or

(3) A property statement that is substantially similar to the property statement as printed by the assessor that is signed by the taxpayer.

(e) Time for Filing Report Forms~~Mineral Production Reports~~. The assessor shall not require the filing of ~~mineral production reports~~report forms prior to ~~April~~the applicable statutory deadline following the calendar year for which the report is prepared.

(f) Assessor to Furnish Report Forms and Property Statements. The pertinent property statement ~~form~~ and instructions shall be furnished (either by mail or electronically) by the assessor to every person required by law or requested by the assessor to file a property statement, ~~and~~ The pertinent report form shall be furnished (either by mail or electronically) by the assessor to every person requested to file a mineral production report form. The assessor may elect to comply with this subdivision by mailing a letter or postcard to persons required by law to file a report form or property statement advising the persons that the required form or statement is available on the assessor's website and that a copy of the form or statement may be requested by calling the assessor's office.

(g) County-Developed Property Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(h) Forms Posted on the Internet. Counties are encouraged to make report forms and property statements available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

Note: Authority cited: Section 15606, Government Code. Reference: Sections 63.1, 69.3, 69.4, 69.5, 73, 74.3, 74.5, 74.6, 441, 441.5, 452, 480, 480.1, 480.4 and 1063469, Revenue and Taxation Code.

## **252. Content of Assessment Roll.**

(a) Minimum Contents of “Machine-Prepared” or “Electronic” Local Rolls. “Machine-prepared” roll within the meaning of Revenue and Taxation Code §section 109.5 includes any preparation of the local roll by the assessor of each county by an electronic medium. In accordance with Revenue and Taxation Code §section 601 et seq., each local assessment roll shall contain, at a minimum, the following information:

(1) The name of the county.

(2) Either the calendar year in which the roll is prepared or the fiscal year for which the taxes are levied.

(3) An explanation of abbreviations and legends appearing on the roll.

(4) On the secured roll, the assessor's parcel number or other legal description that identifies each parcel of taxable land, each parcel for which an exemption is enrolled, and each taxable possessory interest in tax-exempt real estate to which the exemption authorized by §section 218 of the Revenue and Taxation Code has been applied. The

assessment of the taxable possessory interest shall not be a lien on the tax-exempt real estate and that fact shall be noted on the secured roll.

(5) On the unsecured portion of the roll, the assessor's parcel number or other legal description that sufficiently identifies the location of each taxable possessory interest, improvement, or personal property.

(6) The name of the assessee, if known.

(7) The latest mailing address (not an e-mail address) of the assessee contained in the assessor's records.

(8) The separately stated assessed values of all land, improvements, and personal property subject to taxation at general property tax rates (or payments in lieu of property tax computed by applying general property tax rates to fixed or variable "assessed values"), and the separately assessed values of any privately owned land, improvements, and personal property of a type that is exempt from taxation, but is subject to ad valorem special assessments when within a district levying such assessments. If real property is situated within a resource conservation district that is levying a special assessment, the assessed value of mineral rights must be separated from the land value.

(9) The tax rate area in which each piece of property assessed is situated.

(10) The penalties imposed upon such assessments, in the form required by California Code of Regulations, title 18 (Public Revenue), section 261, Title 18 (Rule 261) of this code.

(11) The assessed value of any property that escaped assessment in a prior year, together with the following notation: Escape-(Date) required by section 533 of the Revenue and Taxation Code.

(12) The exempt amount of any assessed values required by paragraph (a)(8) to be enrolled, with identifying legends or distinctive positions for amounts allowed pursuant to any reimbursable exemption.

(13) The total net taxable value.

(14) In a separate section of the roll, the assessed value of any personal property for which tax revenues are subject to allocation in a manner different from that provided for general property tax revenues (e.g., general aircraft).

(15) On the secured roll, a cross-reference notation made pursuant to Revenue and Taxation Code section 2190.2 that is adjacent to the assessment of any taxable land when a possessory interest in such land or an improvement thereon is separately

assessed to another owner pursuant to section 2188.2 of the Revenue and Taxation Code.

~~(16) Whenever the assessor determines that a change in ownership or the completion of new construction has occurred, the assessor shall place a notice of the pending supplemental billing on the roll being prepared and shall notify the auditor, who shall place a notation on the current roll or on a separate document accompanying the current roll that a supplemental billing may be forthcoming.~~

(167) After each assessment of tax-defaulted property, the assessor shall enter on the roll the fact that it is tax-defaulted and the date of declaration of the default.

(178) Any other items required by the State Board of Equalization for the purpose of identification and valuation of all locally assessed property and the collection of property taxes thereon.

(b) Exempt Assessed Values of Exempt Property Not Required to Be Enrolled. Parcel numbers or other legal descriptions of exempt real property may be entered on the roll without assessed values. Alternatively, such exempt real property may be listed with assessed values shown in a separate column or field (e.g., a comments field) or in the exemption column or field on lines that are coded in such manner as to preclude the addition of the assessed values when the exemption column or field is totaled; the ~~exempt~~assessed values shall not be shown in land or improvement columns or fields.

(c) Content of Extended Roll. The extended assessment roll or new local assessment roll for the extension of taxes prepared by the county auditor shall contain, in addition to all of the contents required by subsection (a) of this rule at least the following:

(1) The mailing address, if known, of the assessee.

(2) The revenue district for each group if assessments are grouped by revenue district, and for each assessment if assessments are not so grouped.

(3) All tax rates and ad valorem special assessment extensions required by law.

(4) The amount of tax to be paid on the property listed. The amounts due in installments shall be stated separately and shall be totaled. All rates applicable to any assessment may be combined into a single figure for purposes of computation and extension of the roll.

(5) At the beginning of the roll, or at the beginning of each tax-rate area grouping on the roll, a list of all revenue districts levying taxes within each tax-rate area in the county.

(6) An identification of each tax-defaulted property sold, with the date of sale.

(d) Minimum Contents of Local Rolls Not “Machine-Prepared.”

(1) The local roll of each county utilizing a roll that is not “machine-prepared” within the meaning of Revenue and Taxation Code §section 109.5 shall have the contents specified in subsections (a) and (c) of this rule.

(2) The secured assessments shall be arranged in ascending parcel number order within tax-rate area groupings, with unparcelled properties at the end of each tax-rate area group if there are both parcelled and unparcelled properties in the tax-rate area.

(e) Roll Posted on the Internet. If a local roll is posted on the Internet, the home address or telephone number of any elected or appointed official, as defined in Government Code section 6254.21, or of the official’s residing spouse or child, shall not be posted without first obtaining the written permission of that official.

~~(e) Approval of Roll Forms.~~

~~(1) Whenever the local assessment roll is to be prepared in a form other than that previously approved by the board, the assessor shall submit to the board for approval in duplicate by January 1 the forms to be used for the succeeding fiscal year.~~

~~(2) Forms to be submitted include, but are not limited to, the following:~~

~~(A) Secured roll prepared by the assessor.~~

~~(B) Secured roll alphabetical index.~~

~~(C) Unsecured roll prepared by the assessor.~~

~~(D) Unsecured roll alphabetical index.~~

~~(E) Notice of assessment.~~

~~(F) Notice of supplemental assessment.~~

~~(G) Notice of escape assessment.~~

~~(H) Notice of proposed escape assessment.~~

~~(3) When submitted for approval, each roll form listed in (2) shall be filled out with examples sufficient to illustrate its completed appearance, except that totals and summaries need not be shown.~~

(f) Nothing in this regulation is meant to alter the intent of §section 109.6 of the Revenue and Taxation Code.

Note: Authority cited: Section 15606, Government Code. Reference: Sections ~~75.30,~~ 75.31, 109, 109.5, 109.6, 601, 602, 618, 619, 1612, 1614, 1646, 2152, 2188.2, 2190, 2190.2 and 2601, Revenue and Taxation Code; and Section 6254.21, Government Code.

#### **1045. Administration of the Annual Racehorse Tax.**

(a) Content and Arrangement of Board-Prescribed Racehorse Forms. The annual tax imposed by section 5721 of the Revenue and Taxation Code on the privilege of breeding, training, caring for, or racing racehorses in this state shall be administered as provided herein. A county assessor shall use board-prescribed racehorse forms. An assessor shall not change headings, shall not reduce the font size of text, and shall not change questions in, add questions to, or delete questions from the racehorse forms prescribed by the board. An assessor may add county-specific identifying information, such as the assessor's name and logo, the county's name and logo, and the assessor's contact information, to a board-prescribed racehorse form. An assessor may designate an area on a board-prescribed racehorse form as for assessor's use only and may delete, edit, or move an area on a board-prescribed racehorse form that is designated for assessor's use only. Subject to board approval, an assessor may also:

- (1) Alter the size of a board-prescribed racehorse form to meet the needs of office procedures and facilities;
- (2) Bold specific text or enlarge font sizes on a board-prescribed racehorse form; and
- (3) Change the orientation of a board-prescribed racehorse form, for example, from portrait layout to landscape layout.

(b) Submission of Forms for Board Approval Checklist for Annual Racehorse Tax Forms.

~~(1) Annually, on or before October 15~~September 1, the assessor shall notify the board, on a ~~form~~checklist provided by the board, of those board-prescribed racehorse forms, including instructions, which the assessor:

- (1) Will reproduce from the current prototype forms and instructions distributed by the board for use for the succeeding assessment year with or without the addition of county-specific identifying information;
- (2) Will produce with changes authorized by subdivision (a)(1), (2), or (3); or
- (3) Will have no need.

~~(i) of the assessor's intent to reproduce (a) the Annual Racehorse Tax Return form BOE-571-J (8-03) and (b) the Annual Report of Boarded Racehorses form BOE-571-J1 (8-03) by a photocopy process from the current prototype forms and~~

~~instructions distributed by the board for use for the succeeding reporting period;  
or~~

~~(ii) of the forms and/or instructions which the assessor will produce by means other than a photocopy of the prototype for use for that period; or~~

~~(iii) that the assessor will have no need for the forms.~~

(c2) Approval of Annual Racehorse Tax Forms. When filing a notification that the checklist assessor will use a form and/or instructions which the assessor will produce by means other than a photocopy of the prototype, the assessor shall submit to the board (either in hard copy or electronically) duplicate for approval a draft copy of each form, and/or including instructions, which the assessor will produce with changes authorized by subdivision (a)(1), (2), or (3). If a form does not conform with the specifications prescribed by the board, the assessor shall be notified in writing of the variances. The assessor shall submit a revised racehorse form within 30 days of the date of the notice. The copies shall be submitted together with the board-prescribed property statement forms required to be submitted by Regulation 171 of this title. The provisions of Regulation 171 relative to arrangement and variation of content of such property statement forms shall also be applicable to these forms.

(d) County-Developed Racehorse Tax Forms. An assessor may only develop a property tax form if a statute expressly exempts the assessor from the requirement that the assessor use a board-prescribed form (see, for example, Revenue and Taxation Code sections 75.31 and 534), or the assessor needs a form to request relevant information that is not requested in a form the board prescribed for the same purpose.

(1) Assessors are encouraged to jointly develop uniform questions and property tax forms to obtain the same information throughout the state.

(2) Assessors are encouraged to request that the board change questions in, add questions to, and delete questions from board-prescribed property tax forms or prescribe new property tax forms when:

(A) Multiple assessors need to request information that is not requested in a form the board prescribed for the same purpose; or

(B) Board-prescribed property tax forms contain questions that assessors no longer need.

(3) An assessor may not use a county-developed property tax form unless the assessor obtains prior approval from the board that the current statutory and regulatory provisions are reflected on the form, and an assessor does not have authority to impose penalties on any person for failing to complete a county-developed property tax form.

(ee) Distribution of Forms and Retention of Reports.

(1) Copies of the forms prescribed by the board for reporting the tax due and for reporting the names of persons whose racehorses are boarded with others shall be furnished by the assessor no later than December 15 prior to the calendar year in which the tax is due by mailing them to persons believed to be required to use them and by making them available at the assessor's office to any person requesting them.

(2) The assessor shall maintain a record of those persons believed to be liable for the annual racehorse tax to whom the assessor has furnished copies of the forms. A copy of the record shall be delivered to the tax collector within 10 days of the date when copies of the forms are furnished so that the tax collector can be cognizant of the taxpayers who can reasonably be expected to file returns.

(3) The assessor shall retain a copy of all tax returns filed by taxpayers for a period of five years from the date the returns became due. They shall be arranged or identified so as to indicate whether or not an audit is required under subsection (fd) of this regulation.

(fd) Audits.

(1) The assessor shall audit the tax records relative to his or her county of any racehorse owner who, according to the assessor's records, had a gross tax liability (before addition of any penalties) that exceeds \$4,000 for each of four consecutive calendar years. This audit shall be performed within five years of the date on which the annual racehorse tax first became due and shall include, but not be limited to, a comparison of the annual racehorse tax return with records maintained by the taxpayer. The assessor, when performing an audit pursuant to this regulation of a taxpayer's records of racehorses taxable at a home ranch or other business location, may also audit records of the same taxpayer pertaining to personal property and fixtures on property having tax situs at the same location.

(2) When an assessor schedules an audit of the records of any racehorse owner, whether as part of an audit required by section 469 of the Revenue and Taxation Code or independently thereof, the assessor shall advise the assessor of any other county in which racehorses of the taxpayer were taxable, as shown in the Annual Racehorse Tax Return or in any other source, of the date on which the audit will be performed. Upon completion of the audit, the assessor shall make that portion of the audit findings relevant to the annual racehorse tax available to the assessor of any other county in which racehorses of the taxpayer were taxable.

(3) On discovery that horses escaped taxation, the assessor shall determine whether they were subject to the annual racehorse tax, were subject to the property tax, or were exempt. If determined taxable, the assessor shall either provide the tax collector

with copies of the audit workpapers so that a determination of additional racehorse tax due can be calculated, or enroll an ad valorem assessment of escaped personal property.

(g) Forms Posted on the Internet. Counties are encouraged to make annual racehorse forms available on their county Internet websites, and to ensure that only the most current forms are posted on their websites.

(h) Nothing herein shall be construed to prohibit the assessor from auditing the records of taxpayers for which audits are not required by this regulation.

Note: Authority cited: Section 15606, Government Code; and Section 5781, Revenue and Taxation Code. Reference: Section 15606, Government Code; and Sections 469, 5701, 5721, 5765, 5768, 5781 and 5790, Revenue and Taxation Code.

## Regulation History

**Type of Regulation:** Property Tax

**Rule:** 101, 171, 252, and 1045

**Title:** 101, *Board-Prescribed Exemption Forms*  
171, *Board-Prescribed Forms for Property Statements*  
252, *Content of Assessment Roll*  
1045, *Administration of the Annual Racehorse Tax*

**Preparation:** Glenna Schultz

**Legal Contact:** Bradley Heller

The proposed amendments clarify the provisions in Property Tax Rules 101, 171, and 1045 regarding the use of Board-prescribed property tax forms, and clarify Property Tax Rule 252's requirements for local assessment rolls.

### History of Proposed Regulation:

November 13-15, 2012 Public hearing

September 28, 2012 OAL publication date; 45-day public comment period begins; IP mailing

September 17, 2012 Notice to OAL

August 21, 2012 PTC, Board Authorized Publication (Vote 5-0)

Sponsor: NA

Support: NA

Oppose: NA