



STATE BOARD OF EQUALIZATION
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September 30, 2014

Ms. Linda Arnett

Dear Ms. Arnett:

Thank you for your participation in the June 24, 2014, Taxpayers' Bill of Rights Hearings held in Culver City. I appreciate your taking the time to express your concerns about the time it takes to process a change in ownership assessment when a death is involved. That time delay creates problems when attempting to close an estate. Also you were concerned about whether Sacramento County had issued the bill for the decedent's property located there. Lastly you asked about who you should contact regarding reversing the practice of taking away Proposition 13 status at death.

It is recognized by the county assessors that there is often a significant time delay between the date of death and appropriate reassessments. Assessors typically find out about the need to reassess a property when a Preliminary Change in Ownership Report or other change in ownership statement is filed. Unfortunately those statements often do not get filed timely. In addition the reassessments tend to be processed in the regular priority of assessments. These two issues are primary components of the problem. Often a change in ownership due to a death is first recognized when the property transfers to a third party.

The property that was owned by the decedent in Sacramento County has been reassessed due to the death but the assessment did not reach the minimum amount for a bill to be created and sent. This assessment is considered complete and should not stall the settlement of the decedent's estate.

Section 60 of the Revenue and Taxation Codes provides the meaning of "change in ownership". It is broad but followed by several code sections that provide exclusions to the meaning of change in ownership. In order for a transfer at death to be excluded from the meaning of "change in ownership" the State Legislature would have to adopt a new statute. Your local assemblyperson or senator is where you would turn to seek a change to the statute covering "changes in ownership."

Thank you again for sharing your ideas and concerns as part of the annual hearing process. If you have any further questions regarding this matter, please do not hesitate to contact me at 916-324-2798. You may also contact Mr. Mark Sutter of my office at 916-324-2797.

Sincerely,

Todd C. Gilman
Chief, Taxpayers' Rights and
Equal Employment Opportunity Division

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cc: Honorable Jerome E. Horton, Chairman
Honorable Michelle Steel, Vice Chair
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Mr. Dan Leddy, Manager, Taxpayers' Rights Advocate Office, MIC 70
Ms. Lauren Simpson, Taxpayers' Rights Advocate Office, MIC 70
Mr. Mark Sutter, Taxpayers' Rights Advocate Office, MIC 70