



Mr. William Grommet

July 24, 1979

Ken McManigal

Homeowners' Exemption - Application of Escape Assessment
RIP July 10, 1979

This is in response to your July 10, 1979, memorandum concerning escape assessments and penalties where properties sold between the lien date and July 1 have improperly been allowed the homeowners' exemption.

AB 1488/Stats. 1979, Ch. 242, in effect that same day, July 10, 1979, amended the last sentence of the third paragraph of Revenue and Taxation Code Section 531.6 to read:

"If the property subject to this paragraph has been transferred or conveyed to a bona fide purchaser for value during the period commencing with the lien date and ending July 1 of the fiscal year for which such exemption was incorrectly allowed, and the claimant is not the purchaser, any amount of penalty provided by Section 504 or any amount of interest provided by Section 506 imposed pursuant to the escape assessment due to such incorrect homeowners' exemption shall be forgiven."

This language is identical to that added to Section 531.6 by AB 2867/Stats. 1973, Ch. 1112. As you know, that Section 531.6 did not become operative because AB 2411, which also amended Section 531.6, was chaptered later (Stats. 1978, Ch. 1126). However, we now have a legislative solution to this problem: escape assessments should be entered on the secured roll and penalties and interest are to be forgiven.

JKM:fr
cc: Mr. Glenn L. Rigby

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