

585.0000 MANUFACTURED HOMES

See Mobilehome

585.0020 Business Inventory Exemption. Pursuant to Revenue and Taxation Code section 5801(b)(2), a manufactured home is classified as personal property unless it has been affixed to land on a permanent foundation pursuant to Health and Safety Code section 18551(a), which requires the recordation of appropriate documents. Thus, a manufactured home owned by a licensed manufactured home dealer in a dealer-owned park and held for sale or lease, even though it is placed on an engineered foundation, would be eligible for the business inventory exemption if all the requirements of Health and Safety Code section 18551(a), including the recordation requirement, have not been met. C 7/19/2000.

585.0051 Classification. Effective January 1, 1992, Part 13 of Division 1 of the Revenue and Taxation Code, formerly titled "Taxation of Mobilehomes", is titled "Taxation of Manufactured Homes." The new law affects the classification of manufactured homes for property tax purposes and expressly provides for the exemption of such homes returned to a dealer for resale. This Letter to Assessors supersedes or affects Letter to Assessors Nos. 81/118 (9/29/81) and 87/32 (3/21/87); Assessors' Handbook AH 515, pages 19-22, and Assessment Practices Survey, *A Report on the Assessment of Mobilehomes* (1985), pages 3-5. LTA 8/31/92 (No. 92/57).

585.0055 Exemptions. Accessories of manufactured homes are not exempt from property taxation under Water Code sections 20200 or 72096.5. The accessories determined to be improvements to land are subject to property taxes and special assessments, while those accessories classified as personal property are subject to property taxes but not special assessments. C 11/26/85.

585.0060 Site Value. Value, whether positive or negative, attributable to the physical site on which a manufactured home is located should not be included in the value of a manufactured home located on rented or leased land. In establishing the value of such homes, the assessor is required to take into consideration sales prices listed in designated recognized value guides. It is advisable to place in the appraisal record the recognized value guide relied upon and the value indicated therein.

The standard cost approach, comparative sales approach, and income approach, as appropriate, should also be used to confirm that the value guide is within the market range. LTA 7/7/93 (No. 93/35).

585.0065 Supplemental Assessments. A manufactured home subject to local property taxation is subject to supplemental assessment when it changes ownership or when it undergoes a substantial addition or any alteration which constitutes a major rehabilitation or which converts the property to a different use. Any rehabilitation, renovation, or modernization which converts a manufactured home to the substantial equivalent of a new manufactured home is a major rehabilitation of such home.

The relocation of a manufactured home subject to local property taxation without a change in ownership and whether within a county or between counties does not constitute new construction and therefore, does not provide a basis for a supplemental assessment. LTA 8/24/93 (No. 93/46).

585.0090 Voluntary Conversion. An owner of a pre-July 1, 1980, manufactured home that is subject to the vehicle license fee may choose to voluntarily transfer the manufactured home to the property tax roll. In order to convert a manufactured home to property taxation, an owner must give notice to the county assessor pursuant to Revenue and Taxation Code

section 5801(a) in addition to recording the form that gives notice of the conversion to the Department of Housing and Community Development. The conversion from the vehicle license fee to the local property tax roll is not subject to supplemental assessment because there is no change in ownership or new construction. C 3/13/2006.