TO COUNTY ASSESSORS:

1975 BASE YEAR VALUE DETERMINATION

Senate Bill 17 (Chapter 49, Statutes of 1979) was signed by the Governor May 2, 1979. This bill clarifies the intent of Article XIII A of the California Constitution and sets standards for determining base year values. Its major provisions follow:

1. If the value on the 1975-76 roll was determined by appraisal, this value shall become the 1975 base year value.

2. It is a rebuttable presumption that an appraisal has been made when the 1975 roll value differed from the 1974 roll value.

3. When the value shown on the 1975 roll is not a property's 1975 lien date base year value, and the value on the 1975 roll had not been determined by reappraisal, a new 1975 base year value shall be determined. This determination may be made at any time until June 30, 1980.

4. When a new base year value is determined, the assessor shall use "only those factors and indicia of fair market value actually utilized" in appraising comparable properties for the 1975 lien date. The intent is to revalue properties at the same assessment level as those properties reappraised for the 1975 roll.

5. When a new 1975 base year value is determined, no escape assessments may be levied for previous years. The newly determined value shall be placed upon the current year's roll only.

6. For each lien date after the 1975 lien date, the assessed value is derived by reflecting the percentage change in the cost of living when appropriate, provided such increase shall not exceed 2 percent of the prior year's taxable value.

7. The effects of this legislation are retroactive when the 1975 base year value of a property is reduced. Any required reduction in 1978-79 taxes shall be reflected by a reduction in the
TO COUNTY ASSESSORS

May 9, 1979

1979-80 tax installments for the subject property. However, if there has been a change of assesses between July 1, 1978 and June 30, 1979, a refund of taxes paid shall be prorated between such assesses in the same proportion as they participated in the payment of such taxes. No refund shall be made of any amount previously collected to pay the interest and redemption charges on any indebtedness approved by the voters prior to July 1, 1978.

NOTE: There is a question as to how adjustments will be made where appropriate reductions are not identified until after 1979-80 taxes have been levied.

(8) There will be no reimbursement of costs incurred by local agencies in the administration of this statute.

(9) This is an urgency statute that takes effect immediately.

If you should have any further questions, please contact John McCoy of this division.

Sincerely,

Verne Walton, Chief
Assessment Standards Division

VW:k