

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
P.O. BOX 1799, SACRAMENTO, CA 95808



WILLIAM M BENNETT
First District, Kentfield

CONWAY H COLLIS
Second District, Los Angeles

ERNEST J DRONENBURG, JR.
Third District, San Diego

RICHARD NEVINS
Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D BELL
Executive Secretary

October 11, 1985

TO COUNTY ASSESSORS,
COUNTY COUNSELS,
ASSESSMENT APPEALS BOARD
AND OTHER INTERESTED PARTIES:

NOTICE OF PROPOSED REGULATORY ACTION
BY THE
STATE BOARD OF EQUALIZATION

RULE 324 - Decision

PUBLIC HEARING: December 4, 1985

No. 85/106

NOTICE IS HEREBY GIVEN that the State Board of Equalization, pursuant to the authority vested by Section 15606 of the Government Code, and to implement, interpret, or make specific Section 1601, et seq. of the Revenue and Taxation Code, proposes to amend Rule 324 in Title 18 of the California Administrative Code, relating to property tax.

PUBLIC NOTICE: Notice is further given that a public hearing relevant to this action will be held in Room 102, Consumer Affairs Building, 1020 N Street, Sacramento, California, at 2:00 p.m., on December 4, 1985. Any person interested may present statements or arguments orally or in writing at that time and place.

INFORMATIVE DIGEST: Rule 324 describes the scope of review of local property tax assessment appeals in property tax equalization hearings by local boards of equalization. The proposed amendments to this rule conforms the rule to Article XIII A of the California Constitution and the Legislature's subsequent implementing statutes.

ESTIMATE OF COST OR SAVINGS: The State Board of Equalization has determined that the proposed change does not impose a mandate on local agencies or school districts. Further, the Board has determined that the change will result in no direct or indirect cost or savings to any State agency, any local agency or school district that is required to be reimbursed under Section 2231 of the Revenue and Taxation Code, or other non-discretionary cost or savings imposed on local agencies, or cost or savings in Federal funding to the State of California.

The cost impact on private persons or businesses will be insignificant. This proposal will not have a significant adverse economic impact on small businesses.

WRITTEN COMMENTS: Written statements or arguments will be considered by the Board if received by December 4, 1985; they are requested by November 15, 1985. Please send comments to Janice Masterton, Regulation Coordinator, at 1020 N Street, Sacramento, California 95814.

STATEMENT OF REASONS; EXPRESS TERMS; RULEMAKING FILE: The Board has prepared a statement of reasons and a strike-out and underscore version (express terms) of the proposed changes. Both of these documents and all information on which the proposal is based are available to the public upon request. The rulemaking file is available for public inspection at Room 128, 1020 N Street, Sacramento, California.

STAFF MEMORANDA AFTER PUBLIC HEARING OR REVISIONS TO PUBLISHED VERSION OF THE REGULATION: In the event there are any staff memoranda included in the rulemaking file after the close of the public hearing, these memoranda will be available to the public upon request from Mrs. Masterton for a period of 15 days after the public hearing.

In the event there are any revisions sufficiently related to the published version of the rule, these revisions will be available to the public from Mrs. Masterton for a period of 15 days before adoption.

Following the hearing, the State Board of Equalization, upon its own motion, or at the request of any interested person, may in accordance with law adopt the changes proposed without further notice.

INQUIRIES

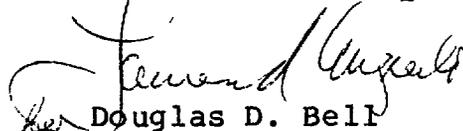
CONTENT

Questions regarding the content of the regulation should be directed to Gordon P. Adelman, Assistant Executive Secretary, Property Taxes, (916) 445-1516, at 1020 N Street, Sacramento, CA 95814.

HEARING

Written comments for the Board's consideration or requests to present testimony and bring witnesses to the public hearing should be directed to Janice Masterton, Assistant to Executive Secretary, (916) 445-6479, at the same address.

STATE BOARD OF EQUALIZATION


Douglas D. Bell
Executive Secretary

Rule 324. DECISION.

(a) Acting upon the evidence properly before it, the board shall determine the taxable value of the property which is the subject of the hearing, and shall designate the ratio to be applied thereto, which shall be the lowest of the ratios provided in Section 1610.3 of the Revenue and Taxation Code. The determination of the taxable value shall be supported by the weight of the evidence at the hearing.

~~(b) When an applicant requests a reduction in the taxable value of a portion of an improved real property or a portion of an unimproved real property or a portion of an installation which is a part of a real property, the board shall determine only the improvement portion of the real property, including the real property and equipment, and the ratio to be applied thereto shall be based on a determination of the value of the real property and the value of the improvements in the assessment year. The value of the real property and the value of the improvements shall be determined on the basis of the value of the real property and the value of the improvements as of the date of the assessment and the value of the whole property is accounted for.~~

(b) When an applicant requests a reduction in the taxable value, the board shall base its determination upon an assessment review of the entire unit of property which is the subject of an original appraisal or which is the subject of a reappraisal and not upon fractional parts of such a unit. Examples of the board's required scope of review are:

(1) If a base year value is appealed, the board shall review the value of all land and improvements included in that base year value.

(2) If an assessment based upon a change in ownership is appealed, the board shall review the value of all land, improvements and personal property which changed ownership.

(3) If an assessment of newly constructed property is appealed, the board shall review the added value of all newly constructed improvements or alterations to land included in the assessment.

(4) If the taxable value is appealed on grounds that it exceeds the value allowed under Revenue and Taxation Code Section 51, the board shall review the value of all land, improvements and personal property included in the assessment.

(5) If a personal property assessment or a newly constructed fixture assessment is appealed, the board shall review the value of all such personal property or fixtures included in the assessment.

(6) If an assessment of a taxable possessory interest is appealed, the board shall review the value of all rights to possession included in the assessment.

(7) If an escape assessment arising from an assessor's audit is appealed, the board shall review the value of all reviewable property included in the audit.

(8) If an assessor's allocation of taxable value to fixtures and personal property is appealed, the board shall review the value of all property included in the allocation.

(c) The board shall be bound by the same principles of ~~evaluation~~ valuation that are legally applicable to the assessor.

(d) The board shall neither raise nor lower the entire local roll.

(e) When written findings of fact are made, they shall fairly disclose the board's findings on all material points raised in the application and at the hearing. The findings shall also include a statement of the method or methods of valuation used in determining the ~~gross~~ taxable value of the property, and shall be made timely after the hearing.

(f) When valuing a property by comparison with sales of other properties which sold, the board shall consider only those sales comparable properties which, in its the board's judgment, are have sold sufficiently near in time to the valuation date, yet occurring no more than 90 days after the lien date, are located sufficiently geographically near, the property being valued, and are sufficiently alike in respect to character, size, situation, usability, zoning or other legal restriction as to use, to the property being valued, to make it clear that the properties sold and the property being valued are comparable in value and that the cash equivalent price realized for the properties sold may fairly be considered as shedding light on the value of the property being valued, and which are sufficiently similar in size, quality, age, condition, utility, amenities, site location, legally permitted use, or other physical attributes to the property being valued, thereby permitting the board to deductively conclude an indication of taxable value of the property being valued from the evidence of the cash equivalent price received for each property which was sold. Pursuant to Section 402.1 of the Revenue and Taxation Code, the board shall presume that zoning or other legal restrictions on the use of either the properties sold or the property being valued will not be removed or substantially modified

in the predictable future unless sufficient grounds as set forth in that section are presented to the board to overcome that presumption.

Reference: Section 1601 et seq., Revenue and Taxation Code.

Authority: Section 15606, Government Code.