

Issue Paper Number 00-036



BOARD OF EQUALIZATION
KEY AGENCY ISSUE

- Board Meeting
- Business Taxes Committee
- Customer Services and Administrative Efficiency Committee
- Legislative Committee
- Property Tax Committee
- Other

UPDATE OF *ASSESSMENT APPEALS MANUAL*

I. Issue

Should the Board authorize publication of the updated *Assessment Appeals Manual*.

II. Staff Recommendation

Staff recommends that the attached updated *Assessment Appeals Manual* be adopted and authorized for publication.

III. Other Alternative(s) Considered

None

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IV. Background

Under Government Code sections 15606 et seq., the Board is charged with the duty of administratively enforcing and interpreting the statutes governing the local assessment function. Specifically, the Board is required to prepare and issue instructions designed to promote property tax assessment uniformity throughout the state. Accordingly, the Board developed and published the *Assessment Appeals Manual* as an informational resource to advance standardization of local assessment appeals practices. The *Assessment Appeals Manual* was approved by the Board on September 23, 1998.

Recent amendments to sections of the Revenue and Taxation Code and sections of Title 18 of the California Code of Regulations (Property Tax Rules 301 through 326) necessitate an update of the text of the *Assessment Appeals Manual*. Staff announced to interested parties the decision to update the manual and invited interested parties to participate in the process. Interested parties were advised that the update would be limited in scope to statutory changes, regulatory changes, and judicial decisions.

Staff worked with the California Association of Clerks and Election Officials, California Assessors' Association, County Counsels' Association of California, California Taxpayers' Association, and industry representatives in making the proposed changes to the *Assessment Appeals Manual*. Following an interested parties meeting on August 11, 2000, staff and interested parties were in agreement with the proposed changes to the *Assessment Appeals Manual*.

Noteworthy changes to the manual include the following.

1. Senate Bill 1234—Requires newly selected or appointed assessment appeals board members to complete an introductory training course conducted by either the State Board of Equalization or the county.
2. Senate Bill 1231—Establishes various conflict of interest provisions and safeguards with respect to persons associated with assessment appeals boards. Eliminates the requirement that an individual appointed as a special alternate assessment appeals board member be a resident of the county in which the *Application for Changed Assessment (Application)* form is filed.
3. *Sunrise Retirement Villa v. Dear*—Provides that there is no statute of limitations for filing an appeal if the applicant claims that an erroneous change in ownership determination occurred.
4. Property Tax Rules 305 through 326—Makes numerous clarifications to the assessment appeals process. For example:
 - Permitting the taxpayer to amend an *Application* after it has been filed with the clerk of the board.
 - Allowing the taxpayer to attach an agent authorization certificate to the *Application* in lieu of designating an agent on the face of the *Application*.
 - Permitting testimony or other evidence to support a value different from the value stated on the *Application*.
 - Clarifying that the jurisdiction of appeals boards includes classification of property and allocation of value.
 - Establishing procedural guidelines for appeals boards when a party has failed to comply with a request for information pursuant to section 1606.
 - Determining the parameters of when an appeals board decision becomes final.

In addition, it was agreed during the process that several topics would be deferred and considered when the manual undergoes a revision beyond the scope of this limited update. Those topics include suggestions to:

- Expand the description of the classification of property and allocation of value sections;
- Provide an in-depth description of the various methods that an appeals board may use to determine a property's full value;
- Combine the discussions regarding disqualification procedures for board members and disqualification procedures for hearing officers; and
- Provide a definition/discussion of the term "submit" in the context of meeting the time directives required pursuant to section 1606. Staff believes that legislation to amend section 1606 is needed to address a concern identified by the California Assessors' Association and one industry representative.

V. Staff Recommendation

A. Description of the Staff Recommendation

Staff drafted language for inclusion in an update of the *Assessment Appeals Manual* to reflect recent amendments to the Revenue and Taxation Code and Title 18 of the California Code of Regulations (Property Tax Rules 301 through 326) relating to procedures governing local assessment appeals hearings. The attached draft identifies staff's recommended changes arrayed in a strikeout-and-underline format. These changes represent concurrence among interested parties who participated in the project.

B. Pros of the Staff Recommendation

The *Assessment Appeals Manual* will continue to be an up-to-date source of information on the local assessment appeals process by reflecting recent statutory changes, regulatory changes, and judicial decisions, as well as providing the Board's policies on other issues covered in the manual.

C. Cons of the Staff Recommendation

None

D. Statutory or Regulatory Change

None

E. Administrative Impact

None

F. Fiscal Impact

1. Cost Impact

No additional administrative cost.

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2. Revenue Impact

None

G. Taxpayer/Customer Impact

None

H. Critical Time Frames

The normal assessment appeals filing period is from July 2 through September 15 of each year. Following the September deadline, county assessment appeals boards begin their evidentiary hearings. In order to provide the information in the updated *Assessment Appeals Manual* to appeals board members for the 2000 appeals period, the Board should authorize publication of amendments to the *Assessment Appeals Manual* at its September 13, 2000 meeting.

VI. Alternative 1

A. Description of the Alternative

Not applicable

Prepared by: Property Taxes Department; Policy, Planning, and Standards Division
Legal Division; Property Taxes Section

Current as of: August 16, 2000