

Issue Paper Number 02-018

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

---

## **ROLL EXTENSION REQUESTS**

### **I. Issue**

Should the Board initiate rulemaking pursuant to Revenue and Taxation Code section 155 to establish standards for granting an extension of time for a county assessor to complete and certify the local assessment roll?

1. Should the Board direct staff to incorporate the standards set forth in proposed Rule 267 (Attachment A).
2. Should the Board specify that proposed Rule 267 be published as of its October 3, 2002 meeting, which would allow the rule to be through the formal rulemaking process in time to become effective March 19, 2003?
3. Should the Board specify that proposed Rule 267 be disseminated for interested parties' comments and then brought back for the Board's December 18, 2002 meeting, which would allow the rule to be through the formal rulemaking process in time to become effective June 3, 2003?

### **II. Staff Recommendation**

Staff recommends that a rule be drafted relevant to a request for an extension of time for a county assessor to complete and certify the local assessment roll by July 1 to include (1) provisions whereby no extension shall be granted unless accompanied by a statement or information indicating that the delay is due to excusable good cause and occurred notwithstanding the exercise of ordinary care, and (2) examples of excusable good cause. (Attachment A.) Staff further recommends that the Board specify that the proposed rule be published as of its October 3, 2002 meeting.

### **III. Other Alternative(s) Considered**

The Board could direct staff to issue an advisory Letter To Assessors providing examples and outlining the parameters of when a request for an extension of time for a county assessor to complete and certify the local assessment roll will be granted.

Issue Paper Number 02-018

#### **IV. Background**

Revenue and Taxation Code section 155 contains provisions whereby a county assessor may request from the Board or the Executive Director an extension of time for official acts, such as completing and certifying the local assessment roll. Legislative history on section 155 discloses that originally all local tax officials had to petition the Board for time extensions, and the Board alone had the sole authority to grant such extensions. In 1965, the Board proposed amendments to section 155 to change these duties in two ways: first, to limit the Board's authority to extensions for county assessors and county equalization boards only; and second, to authorize the Secretary ("Executive Director") to grant time extensions when the Board is not in session. The stated purpose of the statute was that since – "Counties often have last minute problems and cannot carry out their statutory duties within the prescribed time," allowing the Secretary to grant extensions "will overcome the problem arising when extensions are needed but the Board is not in session."

On or before July 1 each year, the county assessor must complete the local assessment roll and subscribe to it an affidavit certifying that he or she made diligent inquiry to ascertain all the property in the county, and assessed it at its required value according to his or her best judgment, information, and belief. Immediately after completing all entries on the roll, signing the affidavit, and delivering it to the county auditor, the roll is deemed complete. Every county assessor who fails to complete the local assessment roll or to transmit the statistical statement to the State Board of Equalization forfeits \$1,000 to the county, to be recovered on his or her official bond in an action brought by the Attorney General at the direction of the Board.

If a county assessor cannot meet the July 1 deadline, section 155 provides that the Board or its Executive Director may extend the time for not more than 30 days, or in the case of public calamity, not more than 40 days. If an extension is granted, the Executive Director must give written notice to the county auditor, county tax collector, and county assessor to whom the extension is granted. The Executive Director must also inform the Board at its next regular meeting.

There is no required form or time related to an application for extension; however, Board staff has allowed assessors to make a written request to the Executive Director any time on or before the July 1 (5:00 p.m.) deadline for completing the roll. Neither section 155 nor any regulation require a reason for a 30-day extension, although staff has historically requested county assessors to provide a reason in writing.

Typically, a 30-day time extension is approved by the Executive Director as a matter of courtesy and notice is subsequently provided to the Board.

## V. Staff Recommendation

### A. Description of the Staff Recommendation

Under subdivision (c) of Government Code Section 15606, the Board is authorized to prescribe rules and regulations to govern county assessors when assessing. Staff recommends that the Board act on that authority by approving staff's recommendation to draft a rule to adopt standards as a prerequisite for granting time extensions to county assessors under the provisions of Revenue and Taxation Code section 155. Staff further recommends that the proposed rule be published as of the Board's October 3, 2002 meeting which would allow the rule to be through the formal rulemaking process in time to become effective March 19, 2003. Traditionally, the majority of requests from assessors for time extensions are received during the months of May and June.

### B. Pros of the Staff Recommendation

- Developing a rule would provide Board staff with uniform guidelines for implementing the statutory authority given the Board to grant an extension of time for completing and certifying the local assessment roll by a county assessor.
- Drafting a rule to establish guidelines and provide examples would ensure consistency in the application of Revenue and Taxation Code section 155, assuring that all county assessors are aware of the parameters for requesting time extensions.

### C. Cons of the Staff Recommendation

During the past eight years, 46 counties have requested and been granted extensions of time to complete their local assessment rolls. Staff has no record of complaints or information indicating that any roll extension granted during those eight years has adversely impacted any taxpayer or county government. By formalizing time extension procedures into a Property Tax Rule, Board staff will be unable to adjust these procedures as practicalities and experience dictate without a formal rule amendment process.

### D. Statutory or Regulatory Change

If the Board acts on staff's recommendation, staff will be required to develop a Property Tax Rule and submit it to the Board for authorization to publish in Title 18 of the California Code of Regulations.

### E. Administrative Impact

Minimal. The rulemaking process requires an expenditure of staff time in the development of a Property Tax Rule.

### F. Fiscal Impact

#### 1. Cost Impact

The expenditure of staff time to develop a Property Tax Rule will be accomplished using current budgeted positions.

#### 2. Revenue Impact

None

### **G. Taxpayer/Customer Impact**

County assessors will be provided with standards as a prerequisite for granting time extensions under the provisions of Revenue and Taxation Code section 155, with the possible result being that a county may not meet the standards and, therefore, not be granted an extension of time to complete the local assessment roll.

### **H. Critical Time Frames**

The county assessor is required to complete and certify the local assessment roll by July 1 each year. For a Property Tax Rule to be effective prior to the next roll on July 1, 2003, the Board should authorize to publish a draft rule no later than December 18, 2002 meeting and begin the formal rulemaking process.

## **VI. Alternative 1**

### **A. Description of the Alternative**

Government Code section 15606 mandates that the Board shall "prepare and issue instructions to assessors designed to promote uniformity throughout the state and its local taxing jurisdictions in the assessment of property for the purpose of taxation." In the late 1960's, Board staff began issuing a series of letters to county assessors in order to comply with section 15606; this series of letters is commonly known as Letters To Assessors (LTA's). An LTA could be issued providing assessors with the guidelines and limitations for the approval of a request for an extension of time to complete the local assessment roll pursuant to Revenue and Taxation Code section 155.

### **B. Pros of the Alternative**

An LTA can be issued in a more timely manner than the time required for the development of a Property Tax Rule. In addition, if over time amendments to the procedures and examples issued in an LTA are required, the Board has more flexibility in the amendment process. Moreover, since the guidelines and limitations pertaining to granting an extension of time to complete the local assessment roll are directional to the Board and the Executive Director, an LTA would be as compulsory as a Property Tax Rule.

### **C. Cons of the Alternative**

An LTA is advisory only for county assessors and is not binding as a matter of law. Whereas, Property Tax Rules adopted by the Board are regulations that implement and interpret the statutes and are binding as a matter of law for county assessors.

### **D. Statutory or Regulatory Change**

None

### **E. Administrative Impact**

Minimal. Drafting an LTA requires an expenditure of staff time.

### **F. Fiscal Impact**

#### **1. Cost Impact**

The expenditure of staff time to develop an LTA will be accomplished using current budgeted positions.

**2. Revenue Impact**

None

**G. Taxpayer/Customer Impact**

County assessors will be provided with standards as a prerequisite for granting time extensions under the provisions of Revenue and Taxation Code section 155, with the possible result being that a county may not meet the standards and, therefore, not be granted an extension of time to complete the local assessment roll.

**H. Critical Time Frames**

County assessors are required to complete and certify the local assessment roll by July 1 each year. The Board should authorize drafting of an LTA to assure distribution of the letter prior to requests for extensions of time to complete the July 1, 2003 local assessment roll.

Prepared by: Property and Special Taxes Department; Assessment Policy and Standards Division  
Legal Department; Property Taxes Section

Current as of: September 18, 2002

## PROPERTY TAX RULES

### Rule 267. DELIVERY OF THE LOCAL ROLL; REQUEST FOR EXTENSION.

*Authority Cited:* Section 15606(c), Government Code.

*Reference:* Sections 155, 616, 617, 407, and 1366, Revenue and Taxation Code.

(a) **DELIVERY.** On or before July 1, annually, the assessor shall complete the local roll and subscribe to it an affidavit containing substantially the same language found in Revenue and Taxation Code section 616, which certifies that the assessor made diligent inquiry to ascertain all the property in the county, and assessed it at its required value according to his or her best judgment, information, and belief. Upon completing all entries on the roll, subscribing the affidavit, and delivering the roll to the auditor, the roll is deemed complete. Any assessor who fails to complete the local roll on or before July 1, or transmit to the Board the statistical statement required pursuant to Revenue and Taxation Code section 407, forfeits \$1,000 to the county, to be recovered on his or her official bond in an action brought by the Attorney General at the direction of the Board.

(b) **30-DAY TIME EXTENSION.** The Board or its executive director may extend for not more than 30 days the time to complete and certify the roll as described in subsection (a) above, provided the assessor makes a detailed written request for such an extension, stating the number of days needed for completion and setting forth the facts showing that the delay is due to excusable good cause, based on proof of facts satisfactory to the Board, and occurred notwithstanding the exercise of ordinary care. Proof of facts indicating that the delay is due to excusable good cause shall be in writing and may include: (1) loss or destruction of assessment records; (2) large volume of reassessments caused by value declines; (3) shortage of staff due to causes outside the assessor's control; or (4) failure of computer systems or related equipment.

(c) **TIME EXTENSION DUE TO PUBLIC CALAMITY.** In the event of public calamity, the Board or its executive director may, on its own initiative or upon an assessor's request, extend for not more than 40 days the time to complete and certify the local roll as described in subsection (a).

*History:*