STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION
PROPERTY AND SPECIAL TAXES DEPARTMENT
450 N STREET, SACRAMENTO, CALIFORNIA
PO BOX 942879, SACRAMENTO, CALIFORNIA 94279-0064
916 445-4982 ● FAX 916 323-8765
www.boe.ca.gov

CAROLE MIGDEN
First District, San Francisco

BILL LEONARD
Second District, Ontario

CLAUDE PARRISH
Third District, Long Beach

JOHN CHIANG
Fourth District, Los Angeles

STEVE WESTLY
State Controller, Sacramento

RAMON J. HIRSIG
Executive Director

September 7, 2004

No. 2004/049

TO COUNTY ASSESSORS:

BOARD-PRESCRIBED FORMS APPROVAL PROCESS

We last reviewed the Board-prescribed forms approval process in May 2000 in Letter To Assessors (LTA) 2000/033. Additional clarification in the form of a series of questions and answers was provided in LTA 2001/047, dated July 24, 2001.[1] In an effort to keep you updated with recent changes and to describe problems that frequently occur during the forms approval process, the following is provided to assist you.

Forms Approval Process

Government Code section 15606, subdivision (d), provides that the State Board of Equalization shall:

> Prescribe and enforce the use of all forms for the assessment of property for taxation, including forms to be used for the application for reduction in assessment.

In addition to section 15606, the Legislature has enacted numerous statutes mandating forms for use in particular property tax programs and has specified that the Board shall prescribe the content of the forms after consultation with interested parties. Both the forms prescribed pursuant to section 15606 and the forms prescribed pursuant to specific statutes are referred to as Board-prescribed forms.

Each year, Board staff from the Property and Special Taxes Department is required to review and approve all Board-prescribed forms that each county will use in the following year. A county may not use a Board-prescribed form until the county has received approval of the content and layout of the form from Board staff.

A county may develop a form for use in their county for a specific use. However, a county-developed form may not contain a penalty statement, unless a statute specifically provides for a penalty and the Board has not prescribed a form for use in that area. Furthermore, a county may not use their own form if there is a Board-prescribed form available. In other words, if a Board-prescribed form is available, that is the form that ***must*** be used.

Near the beginning of each calendar year, the Forms Subcommittee of the California Assessors' Association (CAA) holds its annual meeting. At the meeting, proposed changes to existing forms and recommendations for new forms are discussed. By vote of the subcommittee, the new forms and proposed changes to existing forms are approved. The recommendations of the subcommittee are then forwarded to the CAA Executive Committee for final approval. After approval by the CAA Executive Committee, the forms are forwarded to the Board. All new Board-prescribed forms and amendments to existing Board-prescribed forms must be adopted by

[1] This letter supersedes LTA 2000/033 and LTA 2001/047.

the Board. Following adoption, the forms are formatted by Board staff and transmitted to the counties.

On or before August 31 each year,[2] new and revised Board-prescribed forms that have been formatted are forwarded to county assessors' offices. These forms are referred to as the prototype forms. In later mailings, the following three checklists are sent to counties:

- *Checklist of Board-Prescribed Property Statement and In Lieu Tax Forms* (*Property Statements*)[3] (See Attachment A)
- *Checklist of Miscellaneous Board-Prescribed Property Tax Forms* (*Miscellaneous Forms*)[4] (See Attachment B)
- *Checklist of Board-Prescribed Exemption Claim Forms* (*Exemption Claims*)[5] (See Attachment C)

The county assessor is asked to indicate on the checklists if his or her office will (1) use the prototype form, (2) rearrange the form to accommodate county needs, or (3) not use the form in the county in the following assessment year. The *Property Statements* and *Miscellaneous Forms* checklists must be returned by October 15 annually. The *Exemption Claims* checklist must be returned by December 1 annually.

If an assessor's office elects to rearrange any Board-prescribed forms, the following procedures must be followed prior to the form being printed and used:

1. The county must submit <u>two</u> copies of all rearranged forms and the accompanying instructions. The forms and instructions should be attached to the appropriate checklist when it is returned.

2. Staff from the Board's Property and Special Taxes Department will review the rearranged form and instructions.

3. If the form and instructions are in compliance with statutory requirements and with the prototype form adopted by the Board, Board staff will return one copy of the form and instructions to the county with the following notation, and the second copy will be retained by the Board:

---

[2] Revenue and Taxation Code section 452 requires that the content of property statements be mailed no later than August 31 annually. For ease of administration, all new and revised Board-prescribed forms are mailed by August 31 annually.

[3] Revenue and Taxation Code section 452; Property Tax Rule 171, *Board-Prescribed Forms for Property Statements*; and Property Tax Rule 1045, *Administration of the Annual Racehorse Tax*.

[4] Government Code section 15606.

[5] Revenue and Taxation Code section 251; Property Tax Rule 101, *Board-Prescribed Exemption Forms*.

THIS FORM APPROVED FOR USE DURING
THE 20__ ASSESSMENT YEAR
STATE BOARD OF EQUALIZATION
BY_____
DATE_____

4. If the form and/or instructions are not in compliance with statutory requirements and with the prototype form adopted by the Board, staff will send a letter to the county indicating that the form and/or instructions are not approved and provide the reason(s) for disapproval.

5. For forms that have been disapproved, within 30 days the county must make corrections to the form and/or instructions, based on the information provided in Board staff's letter, and resubmit two copies of the corrected form and instructions to begin the forms approval process again.

Not later than February 10 annually,[6] assessors shall submit to the Board a final printed copy of each Board-prescribed form and its accompanying instructions (both prototype and rearranged) that the county will use during the assessment year.[7] These final printed forms will be reviewed by Board staff to ensure that they are either (1) a rearranged form approved during the forms approval process or (2) a Board-adopted prototype form. Following review by Board staff of the final printed forms, the following procedures will apply:

1. Board staff will send a letter notifying the county that the final printed forms and instructions are approved for use during the assessment year. Or,

2. Board staff will send a letter notifying the county that there is a discrepancy with a final printed form(s) and/or instruction(s).

3. For final printed forms and instructions that have been disapproved, within 30 days the county must make corrections to the form and/or instructions, based on the information provided in Board staff's letter, and resubmit one copy of the corrected form and instructions to begin the final review process again.

Mailing Board-Prescribed Forms

Many assessors include a request for additional data when mailing a Board-prescribed property statement, production report, or expense data sheet. The assessor has the authority under section 441, subdivision (d),[8] to request that a taxpayer make specified information available. The taxpayer may make the information available by completing county-developed forms and questionnaires or by allowing the assessor to inspect his or her records. If the taxpayer fails to make the information available to the assessor, the assessor may seek remedies provided by sections 462, 468, and 501. The assessor may not, however, impose a penalty pursuant to section 463.

Assessors may mail requests for additional information in the same mailings with Board-prescribed forms, provided that such requests are not made a part of the Board-prescribed

[6] Property Tax Rules 101 and 171.
[7] Section 118.
[8] All statutory section references are to the Revenue and Taxation Code unless otherwise designated.

property statement, production report, or expense data sheet, or a part of the instructions that accompany such forms. The assessor must transmit county-developed forms and questionnaires in a manner that does not imply that the section 463 penalty applies to them.

Frequently Encountered Problems

To avoid potentially costly problems, it is extremely important to remember that all Board-prescribed forms (both rearranged and prototype) should be approved by Board staff ***prior to*** having the forms printed. Board staff cannot approve a form that does not conform to statutory requirements and to the Board-adopted prototype form merely because the county has already expended monies to have the form printed. Please note that county forms do not have to be typeset/varityped before being submitted to the Board. It is permissible to provide Board staff with mock-up forms for approval, as long as you provide two original copies of each mock-up; one copy will be returned to the county and one copy will be retained by the Board.

The following are problems frequently encountered during the forms approval process.

- The county does not submit all pages of the form for approval. Instructions must also be included as part of the form. The requirement for all pages, including the instructions, is applicable each time the form is submitted for review. If, for instance, a rearranged form is submitted and then is returned for correction because of an error on one page, it would not be acceptable to send back only the one corrected page. The entire form, and its instructions, must be resubmitted.

- The county submits an outdated form for approval. The most recent Board-adopted version of a Board-prescribed form must be used each year.

- The county does not include the form number identification, page identifier, and/or revision number and date on one or more sides of the form. The reference information in the upper corner of all Board-prescribed forms is required information; it may not be deleted. The form number identification will always be "BOE" followed by a number, such as "BOE-571-L." Except for one-sided forms, the page identifier will be in parentheses and always follow the form identification. The revision number and date will consist of the revision number followed in parentheses by the month and year of the latest revision, such as "REV. 2 (6-99)."

- The county has added and/or omitted questions, statements, or directions from the form or its instructions. All information contained on the Board-adopted prototype form must be included on the county form, and only information that conforms to statutory requirements and the Board-adopted prototype form may be added to a rearranged form.

- The county has added field identifiers to a form. After consultation with the Board's Legal staff, it has been determined that adding field identifiers to the county form, that are not included on the Board-prescribed form, will result in the form being disapproved.

- The county is combining forms without approval by Board staff. When, for example, form BOE-571-D is combined with form BOE-571-L, or form BOE-266 is combined with form BOE-266-S, or form BOE-266-CD is combined with form BOE-266-SCD, that

action constitutes rearranging a form, and the rearranged form must be submitted to Board staff for approval with the appropriate checklist.

- The county asks Board staff to change the format of a Board-prescribed form during the forms approval process. Board staff does not have the authority to make such changes. Suggestions for new forms and revisions to existing forms should be submitted to the CAA Forms Subcommittee for consideration.

Finally, there are three Board-prescribed forms that are notices regarding a change in eligibility or termination of an exemption. They are:

- BOE-231-AH, *Welfare Exemption/Section 231 Change in Eligibility or Termination Notice*[9]
- BOE-265-NT, *Cemetery Exemption Change in Eligibility or Termination Notice*[10]
- BOE-267-SNT, *Religious Exemption Change in Eligibility or Termination Notice*[11]

The statutory requirement for each of the above exemption forms is that (1) the notice shall be prescribed by the Board, and (2) that the notice shall include a card that is to be returned to the assessor by the applicant desiring to maintain eligibility for the exemption.

Some counties have rearranged the notice and the card so as to combine the two into one form. After consultation with the Board's Legal staff, it has been determined that the practice of consolidating the notice and card into one form is not acceptable. The statutes specifically provide the requirement that the notice shall include a card that is to be returned to the assessor's office. Rearranged forms to combine the exemption notice and the card will no longer be approved in the forms approval process.

If you have any questions regarding forms or the forms approval process, please contact Mr. Lloyd B Allred at (916) 324-7361 or e-mail at Lloyd.Allred@boe.ca.gov.

Sincerely,

/s/ David J. Gau

David J. Gau
Deputy Director
Property and Special Taxes Department

DJG:la
Enclosure

[9] Revenue and Taxation Code section 254.5, subdivision (d).
[10] Revenue and Taxation Code section 256.6, subdivision (b).
[11] Revenue and Taxation Code section 257.1.

Attachment A

CHECKLIST OF BOARD-PRESCRIBED PROPERTY STATEMENT AND IN LIEU TAX FORMS

Forms I will not use	Forms I Will Use*		Please indicate your intended use of the form listed below by placing an "X" in the appropriate column.				
	Prototype	Rearranged		BOE-	REV.	DATE	NAME OF FORM
			1.	540-S	4	8-03	Mutual or Private Water Company Property Statement
			2.	560-A	4	8-04	Aggregate Production Report
			3.	560-B	5	8-04	Mining Production Report
			4.	560-C	5	8-04	Mining Claim Production Report
			5.	566-D	4	8-03	Oil and Dissolved Gas Production Report
			6.	566-F	5	8-04	Dry Gas Production Report
			7.	566-J	5	8-04	Oil, Gas and Geothermal Personal Property Statement
			8.	566-K	5	8-04	Annual Oil and Gas Operating Expense Data
			9.	567-D	5	8-04	Geothermal Production Report
			10.	567-K	5	8-04	Annual Geothermal Operating Expense Data
			11.	570-1L	5	8-04	Air Carrier's Operation Report (Flight Detail--Piston-Powered and Turboprop Types)
			12.	570-1S	5	8-04	Air Carrier's Operation Report (Flight Detail--Jet Engine Types Only)
			13.	570-2	3	8-04	Air Carrier's Operation Report (Flight Equipment Value Computation)
			14.	570-3	3	8-04	Air Carrier's Operation Report (Aircraft Value Computation)
			15.	571-A	8	8-04	Agricultural Property Statement (Short Form)
			16.	571-C	7	8-04	Power Plant Property Statement
MUST USE			17.	571-D	7	8-04	Supplemental Schedule for Reporting Monthly Acquisitions and Disposals of Property Reported on Schedule B of the Business Property Statement
			18.	571-F	8	8-04	Agricultural Property Statement (Long Form)
			19.	571-F2	3	8-03	Registered and Show Horses Other Than Racehorses
			20.	571-K	5	8-04	Horse Property Statement
MUST USE			21.	571-L	9	8-04	Business Property Statement (Long Form)
MUST USE			22.	571-LA	8	8-04	Alternate Schedule A for Bank, Insurance Company, or Financial Corporation Fixtures

Attachment A

PROPERTY STATEMENT FORMS (Continued)

Forms I will not use	Forms I Will Use*		Please indicate your intended use of the form listed below by placing an "X" in the appropriate column.				
	Prototype	Rearranged		BOE-	REV.	DATE	NAME OF FORM
			23.	571-M	4	8-04	Miscellaneous Property Statement
			24.	571-P	6	8-04	Pipeline Property Statement
			25.	571-R	7	8-04	Apartment House Property Statement
			26.	571-RW	4	8-04	Right of Way Property Statement
			27.	571-S	8	8-04	Business Property Statement (Short Form)
			28.	576-D	8	8-04	Vessel Property Statement

IN LIEU TAX FORMS

			1.	571-J	5	8-03	Annual Racehorse Tax Return
			2.	571-J1	4	8-03	Annual Report of Boarded Racehorses

*FINAL PRINTS OF ALL FORMS USED ARE DUE BY _____.

PLEASE ANSWER:
Do you accept electronic filings of the BPS per R&T §441(k)? • Yes • No
Do you accept them by way of (check one): • E-Filing • Standard Data Record Filing
• Other (explain)_____

I, _____, Assessor of _____ County, hereby certify that I have reviewed the checklist above and that all forms checked in the "Prototype" column will be exact copies of the Board-prescribed forms except that the county name and return address will be affixed thereon in the appropriate area. Not later than _____ I will forward to the Board a printed copy of each of the forms listed above that I will use.

_____ _____
Signature of Assessor Only Date

Attachment B

CHECKLIST OF MISCELLANEOUS BOARD-PRESCRIBED PROPERTY TAX FORMS

Forms I will not use	**Forms I Will Use***		**Please indicate your intended use of the form listed below by placing an "X" in the appropriate column.**				
	Prototype	Rearranged		BOE-	REV.	DATE	NAME OF FORM
MUST USE			1.	58-AH	9	8-03	Claim for Reassessment Exclusion for Transfer Between Parent and Child
MUST USE			2.	58-G	5	8-03	Claim for Reassessment Exclusion for Transfer Between Grandparent to Grandchild
MUST USE			3.	60-AH	7	8-04	Claim of Person(s) at Least 55 Years of Age for Transfer of Base Year Value to Replacement Dwelling
MUST USE			4.	60-NR	2	8-03	Notice of Rescission of Claim to Transfer Base Year Value to Replacement Dwelling
MUST USE			5.	62	6	8-04	Disabled Persons Claim to Transfer Base Year Value to Replacement Dwelling
			6.	63	2	8-01	Disable Persons Claim for Exclusion of New Construction
MUST USE			7.	63-A	1	8-02	Claim for Disabled Accessibility Construction Exclusion from Assessment
MUST USE			8.	64	5	8-04	Claim for Seismic Safety Construction Exclusion from Assessment
			9.	65-PT	1	10-98	Claim for Intercounty Transfer of Base Year Value from Principal Residence Damaged or Destroyed in a Governor-Declared Disaster to Replacement Property
MUST USE			10.	68	3	8-04	Claim for Base Year Value Transfer--Acquisition by Public Entity
MUST USE	**X**	NOT OPTIONAL	11.	502-A	6	8-04	Preliminary Change of Ownership Report
MUST USE			12.	502-AH	6	8-04	Change of Ownership Statement
			13.	502-G	3	8-03	Change in Ownership Statement, Oil and Gas Property
			14.	502-P	-	8-97	Possessory Interests Annual Usage Report

*FINAL PRINTS OF ALL FORMS USED ARE DUE BY_____.

I, _____, Assessor of _____ County, hereby certify that I have reviewed the checklist above and that all forms checked in the "Prototype" column will be exact copies of the Board-prescribed forms except that the county name and return address will be affixed thereon in the appropriate area. Not later than _____ I will forward to the Board a printed copy of each of the forms listed above that I will use.

_____ _____

Signature of Assessor Only Date

Attachment C

CHECKLIST OF BOARD-PRESCRIBED EXEMPTION CLAIM FORMS

Forms I will not use	Forms I Will Use*		Please indicate your intended use of the form listed below by placing an "X" in the appropriate column.				
	Prototype	Rearranged		BOE-	REV.	DATE	NAME OF FORM
			1.	231-AH	9	8-04	Welfare Exemption/Section 231 Change in Eligibility or Termination Notice
			2.	236	2	8-02	Exemption of Leased Property Used Exclusively for Low Income Housing
			3.	236-A	4	8-03	Supplemental Affidavit for BOE-236, Housing--Lower-income Households
			4.	237	1	8-03	Exemption of Low Income Tribal Housing
			5.	237-A	-	8-02	Supplemental Affidavit for BOE-237, Housing--Lower-income Households
			6	260	2	6-99	Certificate and Affidavit for Exemption of Work of Art
			7	260-A	3	8-04	Certificate and Affidavit for Exemption of Certain Aircraft
			8.	260-B	6	10-03	Claim for Exemption of Aircraft of Historical Significance
			9.	261	7	8-04	Claim for Veterans' Exemption
MUST USE			10.	261-G	9	8-04	Claim for Disabled Veterans' Property Tax Exemption
			11.	261-GNT	11	8-04	Disabled Veterans' Exemption Change of Eligibility Report
MUST USE			12.	262-AH	3	6-99	Church Exemption
			13.	263	4	8-01	Lessors' Exemption Claim
			14.	263-A	3	8-03	Qualified Lessors' Exemption Claim
			15.	264-AH	3	8-00	College Exemption
			16.	265	5	8-04	Cemetery Exemption
			17.	265-NT	1	8-04	Cemetery Exemption Change in Eligibility or Termination Notice
MUST USE			18.	266 or 266-CD	7	8-04	Claim for Homeowners' Property Tax Exemption (English) (a.) 8-1/2 x 11 (b.) data input card
			19.	266-S or 266-SCD	7	8-04	Claim for Homeowners' Property Tax Exemption (Spanish) (a.) 8-1/2 x 11 (b.) data input card
			20.	266-D	3	8-03	Homeowners' Property Tax Exemption, Cooperative Housing Information Request
MUST USE		NOT OPTIONAL	21.	267	7	8-04	Welfare Exemption (First Filing)
			22.	267-A	7	10-03	Claim for Welfare Exemption (Annual Filing)

Attachment C

EXEMPTION CLAIM FORMS (Continued)

Forms I will not use	**Forms I Will Use***		**Please indicate your intended use of the form listed below by placing an "X" in the appropriate column.**				
	Prototype	Rearranged		BOE-	REV.	DATE	NAME OF FORM
			23.	267-FIR	-	8-04	Welfare Exemption Assessor's Field Inspection Report
			24.	267-H	4	10-03	Welfare Exemption Supplemental Affidavit - Elderly and Handicapped Household Income Statement
			25.	267-L	6	10-03	Welfare Exemption Supplemental Affidavit - Lower-Income Household Income Statement
			26.	267-L1	3	8-04	Welfare Exemption Supplemental Affidavit, Housing—Lower-Income Households
			27.	267-R	3	10-03	Welfare Exemption Supplemental Affidavit - Rehabilitation-Living Quarters
MUST USE			28.	267-S	4	8-02	Religious Exemption
MUST USE			29.	267-SNT	8	8-04	Religious Exemption change in Eligibility or Termination Notice
MUST USE			30.	268-A	4	8-02	Exemption for Property Used Exclusively by a Public School
			31.	268-B	4	8-02	Exemption for Property Used by a Free Public Library or Free Museum
			32.	269-AH	5	8-04	Veterans' Organization Exemption
			33.	269-FIR	-	8-04	Veterans' Organization Exemption Assessor's Field Inspection Report
			34.	270-AH	2	6-99	Exhibition Exemption
			35.	576-E	3	8-04	Affidavit for 4 Percent Assessment of Certain Vessels

*FINAL PRINTS OF ALL FORMS USED ARE DUE BY_____.

I, _____, Assessor of _____ County, hereby certify that I have reviewed the checklist above and that all forms checked in the "Prototype" column will be exact copies of the Board-prescribed forms except that the county name and return address will be affixed thereon in the appropriate area. Not later than_____ I will forward to the Board a printed copy of each of the forms listed above that I will use.

_____ _____

Signature of Assessor Only Date